

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

LEGISLATIVE HISTORY
Public Law 89-273
H. R. 10871

TABLE OF CONTENTS

Index and summary of H. R. 10871	.1
Digest of Public Law 89-273	.2

INDEX AND SUMMARY OF H. R. 10871

Sept. 2, 1965	House Appropriations Committee reported H. R. 10871. H. Report 955. Print of bill and report.
Sept. 8, 1965	House passed H. R. 10871 with amendment.
Sept. 9, 1965	H. R. 10871 was referred to Senate Appropriations Committee. Print of bill as referred.
Sept. 13, 1965	Senate committee reported H. R. 10871 with amendments. S. Report 708. Print of bill and report.
Sept. 22, 1965	Senate began debate on H. R. 10871.
Sept. 23, 1965	Senate passed H. R. 10871 with amendments. Senate conferees were appointed. Print of bill as passed by Senate.
Sept. 28, 1965	House conferees were appointed.
Sept. 30, 1965	House received conference report on H. R. 10871. H. Report 1103. Print of report.
Oct. 1, 1965	House agreed to conference report.
Oct. 5, 1965	Senate agreed to conference report.

Approved: Public Law 89-273.

DIGEST OF PUBLIC LAW 89-273

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION ACT, 1966.

Appropriates \$202,355,000 for technical cooperation and development grants; \$144,755,000 for international organizations and programs; and \$102,000,000 for the Peace Corps, together with not to exceed \$12,100,000 of funds previously appropriated. Provides that none of the funds appropriated shall be available for assistance to the United Arab Republic or to Indonesia, unless the President determines that such assistance would be in the national interest. Appropriates \$14,733,000 for administration of the Ryukyu Islands by the Department of the Army, with a proviso authorizing the President to transfer functions to other departments and agencies without reimbursement. Authorizes the Export-Import Bank to make expenditures not to exceed \$1,186,120,000 for other than administrative expenses.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
TO BE QUOTED OR CITED)

Issued Sept. 3, 1965
For actions of Sept. 2, 1965
89th-1st; No. 162

CONTENTS

Appropriations.....1,17,29,41	Food prices.....7	Recreation.....19,31,37
Area redevelopment.....38	Foreign aid.....1,10,20,23	Research.....24,36
Budget.....33	Foreign trade.....4,8	Sugar.....30
Claims.....16	Forestry.....25	Surplus foods.....20
Consumers.....22	Lands.....18	Tariff.....6
Cotton.....35	Legislative program.....13	Tobacco.....26
Data processing.....3,28	Mining.....34	Trade fairs.....4
Education.....15,24	Monopolies.....21	Veterans affairs.....9
Expenditures.....33	National parks.....5	Water pollution.....27
Farm labor.....40	Personnel.....39	Water resources.....32
Farm program.....11,14,29	Public works.....38	Watersheds.....12
Fats and oils.....6	Reclamation.....34,42	Wilderness.....31

HIGHLIGHTS: Senate committee voted to report farm bill. Senate passed higher education bill. House committee reported foreign aid appropriation bill. Rep. Bolton expressed concern over "rising" food prices. Rep. Findley inserted article suggesting guidelines for allocation of foreign sugar quotas. Rep. Findley criticized cotton program.

HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported H. R. 10871, making appropriations for foreign assistance and related agencies for fiscal year 1966 (H. Rept. 955). p. 22042
2. TRANSPORTATION. Passed with amendment S. 1588, to authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation, after substituting the language of a similar bill, H. R. 5863, which was passed earlier as reported. H. R. 5863 was tabled. pp. 21952-70

3. DATA PROCESSING. Passed with amendments H. R. 4845, to provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies (pp. 21971-72, 21990-95). Rejected an amendment by Rep. Olsen, Mont., providing for use of the automatic data processing fund for purposes of establishing and operating equipment pools and data processing centers (p. 21995). This bill includes provisions as follows: Authorizes GSA to coordinate and provide for the purchase, lease, and maintenance of automatic data processing equipment to meet the requirements of Federal agencies. Authorizes GSA to provide automatic data processing equipment through purchase, lease, or transfer of equipment between Federal agencies, to provide for joint use of equipment by two or more agencies, and to establish and operate equipment pools and data processing centers on a Government-wide basis. Allows GSA to delegate authority to Federal agencies to lease, purchase, and maintain individual systems or specific units of equipment when necessary for economy and efficiency of operations or essential to national defense or security. Authorizes the establishment of an automatic data processing fund to be used to finance expenses incident to the Government-wide data processing program, including expenses incurred for personal services, purchases, rentals, maintenance and repair, and direct operation costs of ADP service centers, as well as other related costs. Provides that user agencies will reimburse GSA for the use of equipment on an annual or other periodic basis for regular, recurring services, and for specific intermittent services. Authorizes the Department of Commerce to provide scientific and technological advisory services relating to ADP to agencies and to GSA, to make recommendations to the President relating to the establishment of uniform Federal ADP standards, and to undertake research in the sciences and technologies of automatic data processing systems.
4. TRADE FAIRS. A subcommittee of the Foreign Affairs Committee voted to report to the full committee H. R. 9240, with amendment, to provide for the participation of the U.S. in the Inter-American Cultural and Trade Center in Dade County, Fla.; and H. R. 9247, to provide for the participation of the U.S. in the HemisFair 1968 exposition, San Antonio, Tex. p. D880
5. NATIONAL PARKS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 9417, to revise the boundary of Jewel Cave National Monument in S. Dak. p. D880
6. TARIFF. The Ways and Means Committee voted to report (but did not actually report) with amendment H. R. 6568, to amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts, and palm-nut kernels and the oils crushed therefrom. p. D881
7. FOOD PRICES. Rep. Bolton stated that she was "wondering why food prices have to go up" when there is a "continuing increase of prosperity." p. 22005
8. FOREIGN TRADE. Rep. Lipscomb stressed the need for the reestablishment of a House Select Committee on Export Control to study the "controls on the flow of equipment, goods, and technical data to the Red bloc", mentioning the proposed sale of wheat to Russia. pp. 22005-9
9. VETERANS' AFFAIRS. Rep. Gonzalez inserted the testimony of Rep. Pepper in support of the cold war GI bill. pp. 22035-7
10. FOREIGN AID. Rep. Scheuer inserted two articles commending the President's speech on the occasion of the fourth anniversary of the Alliance for Progress. pp. 22039-40

FOREIGN ASSISTANCE AND RELATED AGENCIES
APPROPRIATION BILL, 1966

SEPTEMBER 2, 1965.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. PASSMAN, from the Committee on Appropriations, submitted the
following

REPORT

[To accompany H.R. 10871]

The Committee on Appropriations submits the following report in
explanation of the accompanying bill making appropriations for
Foreign Assistance and related agencies for the fiscal year ending
June 30, 1966.

SUMMARY OF THE BILL

Title No.	Title	Estimates	Recommended in bill for fiscal year 1966	Bill compared with estimates
I	Foreign assistance.....	\$3, 459, 470, 000	\$3, 285, 000, 000	—\$174, 470, 000
II	Foreign assistance (other).....	729, 453, 000	716, 453, 000	—13, 000, 000
III	Export-Import Bank (limitation).....	(1, 190, 172, 000)	(1, 190, 172, 000)	-----
	Total.....	4, 188, 923, 000	4, 001, 453, 000	—187, 470, 000

The President's Budget contained estimates of \$3,872,158,000 to
finance the various programs contained in the bill. Subsequent
amendments to the Budget, contained in House Documents Num-
bered 127, 138, 150 and 197, provided for a net increase in the estimates
of \$316,765,000.

A majority of the Committee recommends the appropriation of
\$4,001,453,000, which is \$187,470,000 below the amended budget
estimates of \$4,188,923,000.

TITLE I—FOREIGN ASSISTANCE

The conference report on the bill, H.R. 7750, authorizing appropriations for the foreign assistance program, contained specific amounts for each of the various programs which totaled \$3,457,670,000. Section 649 of the same conference report limited the total amount of funds that could be appropriated for use in fiscal year 1966 to not to exceed \$3,360,000,000 and left to the judgment of the Executive to effect reductions that would bring the total of the various programs within the limitation. Subsequently, the Executive submitted the following recommendation as to which programs should absorb the unspecified reduction of \$96,670,000 made by the conference committee on the authorization bill:

Program	Budget estimate	Conference authorization bill	Revised estimate
Technical cooperation and development grants.....	\$219, 000, 000	\$210, 000, 000	\$202, 355, 000
Alliance for Progress: Development loans.....	495, 125, 000	505, 125, 000	470, 125, 000
Development loans.....	780, 250, 000	780, 250, 000	725, 225, 000

The following table compares the amount authorized with the amount recommended by a majority of the Committee for the various items of the fiscal year 1966 foreign assistance program:

Program	Conference authorization bill (H.R. 7750)	Recommended in the bill	Bill compared with conference authorization bill
Economic assistance:			
Technical cooperation and development grants.....	\$210, 000, 000	\$202, 355, 000	—\$7, 645, 000
American schools and hospitals abroad.....	7, 000, 000	7, 000, 000	-----
International organizations and programs.....	144, 755, 000	144, 755, 000	-----
Supporting assistance.....	369, 200, 000	369, 200, 000	-----
Contingency fund, general.....	50, 000, 000	50, 000, 000	-----
Contingency fund, southeast Asia.....	89, 000, 000	89, 000, 000	-----
Alliance for Progress:			
Technical cooperation and development grants.....	75, 000, 000	75, 000, 000	-----
Development loans.....	505, 125, 000	445, 125, 000	—60, 000, 000
Development loans.....	780, 250, 000	675, 225, 000	—105, 025, 000
Administrative expenses, AID.....	54, 240, 000	54, 240, 000	-----
Administrative expenses, State.....	3, 100, 000	3, 100, 000	-----
Subtotal, economic assistance.....	2, 287, 670, 000	2, 115, 000, 000	—172, 670, 000
Military assistance.....	1, 170, 000, 000	1, 170, 000, 000	-----
Total.....	¹ 3, 457, 670, 000	3, 285, 000, 000	—172, 670, 000
Conference limitation.....	¹ (3, 360, 000, 000)	(3, 285, 000, 000)	(—75, 000, 000)

¹ Section 649 of authorization bill limited appropriations for fiscal year 1966 to not to exceed \$3,360,000,000.

FUNDS AVAILABLE

The table below is a comparison of the total funds estimated to be available to the program in fiscal year 1966, based on the recommended appropriation of \$3,285,000,000, with the funds available in fiscal year 1965:

Funds available—Fiscal year 1966 Foreign Assistance Program

Item	Fiscal year 1965	Fiscal year 1966
New appropriations.....	\$3,250,000,000	\$3,285,000,000
Carryover from prior year appropriations.....	28,865,000	158,352,000
Reimbursements and receipts.....	8,533,000	32,100,000
Deobligations of prior-year obligations.....	289,897,000	155,170,000
Transfer from DOD appropriation (sec. 510).....	75,000,000	
Total, funds available.....	3,652,295,000	3,630,622,000

As the table above indicates, funds available in fiscal year 1966 are \$21,673,000 below the amount available for the same programs in fiscal year 1965.

TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

1965 appropriation.....	\$202,071,000
1966 estimate.....	219,000,000
1966 authorization.....	210,000,000
Recommended for 1966.....	202,355,000

Technical assistance is AID's primary instrument for the development of human resources and the strengthening of institutions—the core requirements for economic and social progress—and will be conducted in 48 countries and 6 regional or organizational programs. Technical assistance to the 20 Latin American countries and two regional programs are funded under the Alliance for Progress program discussed later. This type of grant aid will be extended in such fields as education, agriculture, industry and transportation, health and sanitation, and public administration.

The budget program of \$240,000,000, to be financed by \$219,000,000 in new obligational authority and \$21,000,000 in carryover and recoveries, on a regional basis, is as follows:

Region	Fiscal year 1966 program
Near East and South Asia.....	\$46,400,000
Far East.....	43,000,000
Africa.....	92,000,000
Nonregional and research.....	58,600,000
Total.....	240,000,000

The Committee recommends an appropriation of \$202,355,000, which is \$284,000 above the 1965 appropriation and \$7,645,000 below the authorization.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

1965 appropriation.....	\$16,800,000
1966 estimate.....	7,000,000
1966 authorization.....	7,000,000
Recommended for 1966.....	7,000,000

This program is designed to provide limited financial support by the United States Government to American-sponsored schools and hospitals located in various countries abroad. The following table shows the details of the program during the past two years and the proposed program for fiscal year 1966:

Name and location of institution	Fiscal year 1964	Fiscal year 1965	Proposed, fiscal year 1966
214(a) program:			
1. American University of Beirut, Lebanon (including medical center)-----	\$4,240,000	\$12,500,000	\$2,000,000
2. International College of Beirut, Lebanon-----	1,500,000	0	0
3. American Farm School, Thessaloniki, Greece-----	180,000	125,000	-----
4. Anatolia College, Thessaloniki, Greece-----	291,000	80,000	-----
5. Athens College, Greece-----	300,000	70,000	-----
6. Pierce College, Athens, Greece-----	921,000	125,000	-----
7. Robert College, Istanbul, Turkey-----	2,800,000	1,500,000	-----
8. American University in Cairo, Egypt-----	1,400,000	² 1,100,000	³ 1,200,000
9. Escuela Agricola Panamericana, Tegucigalpa, Honduras-----	470,000	250,000	-----
214(b) program:			
10. Admiral Bristol Hospital and Nursing School, Istanbul, Turkey-----	0	250,000	-----
11. Polish Children's Hospital, Krakow, Poland-----	⁴ 6,100,000	0	0
12. Seagraves Hospital and Nursing School, Burma-----	0	⁵ 30,000	-----
13. Project HOPE-----	1,600,000	1,500,000	1,500,000
Total-----	19,802,000	17,530,000	⁶ 7,000,000

¹ \$300,000 in foreign currency.

² In foreign currency.

³ \$1,100,000 foreign currency.

⁴ \$3,900,000 in U.S.-owned Polish zlotys.

⁵ Pending, to be made in foreign currency.

⁶ Total includes classified figures.

The Committee recommends the appropriation of \$7,000,000, the budget estimate, for this program in fiscal year 1966. This is \$9,800,000 below the 1965 appropriation.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

1965 appropriation-----	\$134,272,400
1966 estimate-----	145,555,000
1966 authorization-----	144,755,000
Recommended for 1966-----	144,755,000

The Budget proposed voluntary contributions to the following programs of the United Nations and 3 international programs.

Program	Fiscal year 1966 estimate
U.N. expanded program of technical assistance and Special Fund-----	\$65,000,000
U.N. technical and operational assistance to the Congo-----	5,000,000
U.N. Relief and Works Agency for Palestine refugees-----	16,000,000
U.N. Children's Fund-----	12,000,000
U.N./Food and Agriculture Organization—World food program-----	2,000,000
International Atomic Energy Agency—Operational program-----	1,000,000
Indus Basin Development Fund-----	43,100,000
International Secretariat for Volunteer Service-----	120,000
World Health Organization—Medical research-----	100,000
U.N. peacekeeping: U.N. Emergency Force (Near East)-----	835,000
U.N. Training and Research Institute-----	400,000
Total-----	145,555,000

The Committee recommends the appropriation of \$144,755,000 to finance the voluntary contribution of the United States to the above noted organizations and programs. This is an increase of \$10,482,600 above the appropriation for fiscal year 1965, but the same amount as the authorization for fiscal year 1966.

SUPPORTING ASSISTANCE

1965 appropriation.....	\$401, 000, 000
1966 estimate.....	449, 200, 000
1966 authorization.....	369, 200, 000
Recommended for 1966.....	369, 200, 000

Supporting Assistance is economic assistance provided primarily to enable larger defense efforts to be undertaken in less-developed nations threatened by Communist expansion and to avert situations of dangerous instability in sensitive areas. In a few instances it is also provided to encourage independence of action in nations susceptible to Russian or Chinese Communist domination, to assure access to U.S. military bases, and in other ways to protect and advance immediate U.S. foreign policy interests.

The budget program of \$460,200,000 for Supporting Assistance—composed of \$449,200,000 in new obligational authority and \$11,000,000 in recoveries—is for assistance to the following 13 countries and one regional program:

Bolivia	Laos
Dominican Republic	Thailand
Haiti	Vietnam
Trinidad and Tobago	Congo (Léopoldville)
Jordan	Guinea
Yemen	Rwanda
Korea	Africa Regional

An appropriation of \$369,200,000, the amount authorized, is recommended for fiscal year 1966, which is \$31,800,000 below the 1965 appropriation of \$401,000,000 and \$80,000,000 below the budget estimate.

CONTINGENCY FUND, GENERAL

1965 appropriation.....	\$99, 200, 000
1966 estimate.....	50, 000, 000
1966 authorization.....	50, 000, 000
Recommended for 1966.....	50, 000, 000

The Contingency Fund is used to meet urgent assistance needs which are not foreseen or cannot be accurately estimated at the time of presentation of the program to the Congress.

The Committee recommends the appropriation of the budget estimate of \$50,000,000 for this purpose. This is \$49,200,000 less than the amount appropriated for fiscal year 1965.

CONTINGENCY FUND, SOUTHEAST ASIA

1965 appropriation.....	-----
1966 estimate.....	-----
1966 authorization.....	\$89,000,000
Recommended for 1966.....	89,000,000

The conference report on the Foreign Assistance Act of 1965 authorized an appropriation of \$89,000,000 for expanded programs of economic and social development in southeast Asia, rather than increasing the authorization for "Technical cooperation and development grants" by \$9,000,000 and "Supporting Assistance" by \$80,000,000 as requested by the President in House Document No. 197, dated June 3, 1965.

The Committee recommends an appropriation of \$89,000,000 for this purpose.

ALLIANCE FOR PROGRESS

The President's Budget proposed a program of \$596,125,000 for the Alliance for Progress in fiscal year 1966, composed of the following items:

Appropriation	New obligation authority	Carryover and reimbursements and receipts	Deobligations of prior year obligations	Fiscal year 1966 program
Technical cooperation and development grants.....	\$85,000,000	-----	\$3,000,000	\$88,000,000
Development loans.....	495,125,000	\$8,000,000	5,000,000	508,125,000
Total.....	580,125,000	8,000,000	8,000,000	596,125,000

The January Budget did not anticipate any carryover of unobligated funds into fiscal year 1966. However, recent data submitted to the Committee indicate that \$29,686,000 of fiscal year 1965 development loan funds and \$6,562,000 of technical cooperation funds will be available for carryover into the fiscal year 1966 Alliance for Progress program.

In addition to the above Alliance program, the Budget also contained \$13,600,000 in the Supporting Assistance estimate and \$77,264,000 under the Military Assistance program estimate for Latin America.

Technical cooperation and development grants.—The Committee recommends an appropriation of \$75,000,000 for this purpose, a reduction of \$10,000,000 below the budget estimate and \$9,700,000 below the fiscal year 1965 appropriation.

Development loans.—An appropriation of \$445,125,000 is recommended for development loans in the Latin America region for fiscal year 1966. This is \$50,000,000 below the budget estimate of \$495,125,000 but an increase of \$20,125,000 above the appropriation for this purpose in fiscal year 1965.

DEVELOPMENT LOANS

1965 appropriation.....	-----	\$773,727,600
1966 estimate.....	-----	780,250,000
Recommended for 1966.....	-----	675,225,000

The January Budget proposed a development lending program, exclusive of the Latin American area, of \$840,250,000, composed of the following items:

Item	Fiscal year 1966 program
New obligational authority.....	\$780,250,000
Loan receipts.....	20,000,000
Deobligations of prior year obligations.....	40,000,000
Total.....	840,250,000

On a regional basis, the January Budget proposed the following development lending program:

Region	Fiscal year 1966 program
Near East and South Asia.....	\$690,000,000
Far East.....	50,000,000
Africa.....	100,000,000
Nonregional.....	250,000
Total.....	840,250,000

As in the case of the Alliance for Progress development loan appropriation above, the January Budget did not contemplate any carryover of unobligated funds from this appropriation into fiscal year 1966. However, recent data indicates that \$91,292,000 was unobligated on June 30 and has been carried over into fiscal year 1966.

The Committee recommends the appropriation of \$675,225,000 for this purpose in fiscal year 1966, which is \$105,025,000 below the estimate and \$98,502,600 below the fiscal year 1965 appropriation.

ADMINISTRATIVE EXPENSES, AID

1965 appropriation.....	\$53,600,000
1966 estimate.....	55,240,000
1966 authorization.....	54,240,000
Recommended for 1966.....	54,240,000

An appropriation of \$54,240,000 is recommended for administrative expenses of the Agency. This is an increase of \$640,000 above the appropriation for fiscal year 1965.

ADMINISTRATIVE EXPENSES, STATE

1965 appropriation.....	\$3,029,000
1966 estimate.....	3,100,000
Recommended for 1966.....	3,100,000

The Committee recommends an appropriation of \$3,100,000 for the following purposes in fiscal year 1966:

Program	Fiscal year 1966 estimate	Recom- mended
U.S. Missions to NATO and OECD.....	\$2,146,000	\$2,146,000
Battle Act program.....	954,000	954,000
Total.....	3,100,000	3,100,000

MILITARY ASSISTANCE

1965 appropriation.....	\$1, 055, 000, 000
1966 estimate.....	1, 170, 000, 000
1966 authorization.....	1, 170, 000, 000
Recommended for 1966.....	1, 170, 000, 000

The Military Assistance Program provides equipment and training for defense on either a grant or credit assistance basis to help safeguard the independence of nations resisting Communist encroachment and to strengthen alliance and other security arrangements without which U.S. interests would be seriously impaired.

The detail of the fiscal year 1966 program compared with the fiscal year 1965 program follows:

Funds available—M.A.P.

Item	Fiscal year 1965 program	Fiscal year 1966 estimate
New obligational authority.....	\$1, 055, 000, 000	\$1, 170, 000, 000
Reappropriation of unobligated balances.....	965, 000	10, 000, 000
Recoupments.....	139, 550, 000	78, 000, 000
Transfer from economic assistance appropriations.....	55, 000, 000	-----
Use of Section 510 contract authority.....	75, 000, 000	-----
Total, funds available.....	1, 325, 515, 000	1, 258, 000, 000

The Committee recommends the appropriation of the budget estimate of \$1,170,000,000 for this program in fiscal year 1966. The recommended amount is \$115,000,000 above the appropriation for fiscal year 1965 but as the Funds Available table above indicates the fiscal year 1966 program as presently proposed will be \$67,515,000 less than the fiscal year 1965 program despite the recommended increase of \$115,000,000 in new obligational authority.

The table below indicates the 40 countries for which a grant materiel program is planned and the 14 additional countries for which a training program only is contemplated:

	Fiscal year 1966		Amount
	Proposed program for (40)	Training only for (14)	
Forward defense:			
China Republic of.....	X	-----	-----
Greece.....	X	-----	-----
India.....	X	-----	-----
Iran.....	X	-----	-----
Korea.....	X	-----	-----
Laos.....	X	-----	-----
Pakistan.....	X	-----	-----
Philippines.....	X	-----	-----
Thailand.....	X	-----	-----
Turkey.....	X	-----	-----
Vietnam.....	X	-----	-----
Total, forward defense.....	-----	-----	\$905, 023, 000

	Fiscal year 1966		Amount
	Proposed program for (40)	Training only for (14)	
Alliance for Progress security:			
Argentina.....	X		
Bolivia.....	X		
Brazil.....	X		
Chile.....	X		
Colombia.....	X		
Costa Rica.....	X		
Dominican Republic.....	X		
Ecuador.....	X		
El Salvador.....	X		
Guatemala.....	X		
Honduras.....	X		
Mexico.....		X	
Nicaragua.....	X		
Panama.....	X		
Paraguay.....	X		
Peru.....	X		
Uruguay.....	X		
Venezuela.....		X	
Total, Alliance for Progress.....			\$77,264,000
Military base:			
Ethiopia.....	X		
Libya.....	X		
Portugal.....	X		
Spain.....	X		
Total, military base.....			38,855,000
Grant aid phaseout:			
Denmark.....	X		
Japan.....		X	
Norway.....	X		
Total grant aid phaseout.....			39,208,000
Free world orientation:			
Afghanistan.....		X	
Congo.....	X		
Iraq.....		X	
Jordan.....	X		
Lebanon.....		X	
Liberia.....	X		
Malaysia.....		X	
Mali.....	X		
Morocco.....		X	
Nepal.....	X		
Nigeria.....		X	
Saudi Arabia.....		X	
Senegal.....	X		
Syria.....		X	
Tunisia.....		X	
Yemen.....		X	
Country A.....	X		
Country B.....		X	
Total, free world orientation.....			16,869,000
U.S. Forces support and MAP administration:			
Infrastructure.....			70,000,000
International Military Headquarters.....			19,080,000
Regional costs.....			18,201,000
Program administration.....			23,500,000
Credit assistance.....			50,000,000
Total.....			180,781,000
Total obligational authority.....			1,258,000,000
Less: Reappropriations, recoupments, and transfers.....			-88,000,000
Total.....			1,170,000,000

TITLE II—FOREIGN ASSISTANCE (OTHER)

PEACE CORPS

1965 appropriation-----	¹ \$87, 100, 000
1966 estimate-----	115, 000, 000
Recommended for 1966-----	² 102, 000, 000

¹ Plus the reappropriation of \$17,000,000 of unobligated funds remaining available on June 30, 1964.

² Plus the reappropriation of \$12,100,000 of unobligated funds remaining available on June 30, 1965.

The amended Budget proposed an appropriation of \$115,000,000 to finance an estimated Peace Corps strength of 15,110 volunteers and trainees during the program year ending August 31, 1966, compared to an estimated 13,710 on August 31, 1965.

Testimony indicated that the unobligated balance of funds on June 30, 1965, was estimated to be \$12,100,000. Therefore, the Committee recommends an appropriation of \$102,000,000 plus the reappropriation of \$12,100,000 of unobligated funds to provide a total of \$114,100,000 for the operation of the Peace Corps in fiscal year 1966.

The following table shows the number of volunteers and trainees by country as of May 31, 1965.

Volunteers and trainees (as of May 31, 1965)

Africa:		North Africa, Near East, and South Asia:	
Cameroon-----	103	Afghanistan-----	137
Ethiopia-----	569	India-----	427
Gabon-----	35	Iran-----	157
Ghana-----	115	Morocco-----	133
Guinea-----	104	Nepal-----	164
Ivory Coast-----	55	Pakistan-----	150
Kenya-----	134	Tunisia-----	135
Liberia-----	346	Turkey-----	337
Malawi-----	231		
Niger-----	43	Total, North Africa, Near East, and South Asia-----	1, 640
Nigeria-----	649		
Senegal-----	58	Far East:	
Sierra Leone-----	150	Malaysia-----	384
Somali Republic-----	58	Philippines-----	326
Tanzania-----	325	Thailand-----	264
Togo-----	57		
Uganda-----	37	Total, Far East-----	974
Total, Africa-----	3, 069		
Latin America:		Grand total-----	9, 260
Bolivia-----	259	Plus:	
Brazil-----	550	PCT's entering June 1 to Aug. 31-----	6, 962
British Honduras-----	47	Completions of service and terminations, June 1 to Aug. 31-----	-2, 512
Chile-----	309		
Colombia-----	609	On board Aug. 31 1965-----	13, 710
Costa Rica-----	87		
Dominican Republic-----	139		
Ecuador-----	336		
El Salvador-----	75		
Guatemala-----	116		
Honduras-----	107		
Jamaica-----	82		
Panama-----	132		
Peru-----	428		
St. Lucia-----	13		
Uruguay-----	19		
Venezuela-----	269		
Total, Latin America-----	3, 577		

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

RYUKYU ISLANDS—ARMY

1965 appropriation.....	\$14, 441, 000
1966 estimate.....	14, 733, 000
Recommended for 1966.....	14, 733, 000

The proposed program for administration of the Ryukyu Islands by the Department of the Army in fiscal year 1966 is as follows:

Purpose of projects	Estimate, fiscal year 1966
Administrative activities.....	\$2, 733, 000
Pay of personnel.....	2, 288, 000
Travel of civilian employees.....	125, 000
Information materials and services.....	150, 000
Operating expenses.....	170, 000
Aid to Ryukyuan economy.....	12, 000, 000
Reimbursement for government services.....	1, 200, 000
Contribution to government projects.....	9, 260, 000
Transportation of commodities.....	5, 000
Technical education and training.....	815, 000
Technical cooperation.....	720, 000
Total.....	14, 733, 000

The Committee recommends the appropriation of the budget estimate of \$14,733,000 to finance the program noted above in fiscal year 1966, an increase of \$292,000 above the fiscal year 1965 appropriation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANCE TO REFUGEES IN THE UNITED STATES

1965 appropriation.....	\$32, 211, 000
1966 estimate.....	32, 265, 000
Recommended for 1966.....	32, 265, 000

This program is designed to provide assistance to refugees who have fled from Communist Cuba and sought refuge in the United States—primarily in the Miami, Florida, area.

The Budget program for fiscal year 1966 is as follows:

Activity	1966 estimate
I. Direction and coordination of program-----	\$883,000
II. Welfare assistance and services:	
Financial assistance to needy refugees in the Miami area-----	8,272,000
Transitional resettlement allowances-----	200,000
Assistance to resettled refugees who become needy-----	5,101,000
Unaccompanied children-----	3,800,000
Distribution of surplus commodities-----	60,000
Hospitalization-----	1,038,000
State administration of program-----	1,146,000
Total welfare assistance and services-----	19,617,000
III. Resettlement and employment opportunities-----	1,690,000
IV. Education:	
Assistance to Dade County public schools-----	4,156,000
Vocational training for youth and adults-----	1,385,000
Assistance to college students-----	3,200,000
Professional training and placement-----	400,000
Total education-----	9,141,000
V. Health services:	
Refugee health clinic-----	588,000
Outpatient services-----	120,000
Maternal and child health and school health-----	100,000
Hospitalization for long-term illness-----	126,000
Total health services-----	934,000
Total-----	32,265,000

Appropriations for this program have declined from the fiscal year 1963 appropriation of \$70,110,000 to the recommended appropriation for fiscal year 1966 of \$32,265,000, the amount of the budget estimate.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

1965 appropriation-----	\$8,200,000
1966 estimate-----	7,575,000
Recommended for 1966-----	7,575,000

The budget estimate of \$7,575,000 was proposed to finance the following activities of this refugee program in fiscal year 1966:

Program	1966 estimate
1. Contributions to Intergovernmental Committee for European Migration-----	\$4,750
2. Contributions to program of United Nations High Commissioner for Refugees-----	600
3. Refugees from European Communist countries-----	900
4. Refugees from Communist China-----	600
5. Tibetan refugees-----	200
6. Administration-----	525
Total-----	7,575

To finance this program in fiscal year 1966 the Committee recommends the appropriation of \$7,575,000, the amount of the estimate.

In addition, the Committee has included language in the bill which will continue available until December 31, 1965, \$371,000 of prior year appropriations. This action is necessary in view of a GAO opinion questioning the validity of obligations in the amount of \$740,000 established against appropriations for the fiscal years 1963 and 1964

respecting four contracts entered into by the Department of State with two voluntary refugee organizations and the American Red Cross. The original amount in question subsequently has been reduced, consistent with the GAO opinion, to \$520,943, and further savings in the program will reduce the requirement for reappropriation to \$371,000, the amount recommended in the bill.

Also, to prevent a further reoccurrence of this problem and to provide for better fiscal management of the program, the Committee has included language in the bill to make all program funds, except administrative expenses, available on a calendar year basis.

INTER-AMERICAN DEVELOPMENT BANK

1965 appropriation-----	\$455, 880, 000
1966 estimate-----	455, 880, 000
Recommended for 1966-----	455, 880, 000

The \$455,880,000 estimate recommended by the Committee is composed of two elements:

1. \$205,880,000 represents one-half of the U.S. share of the increased callable capital stock of the Bank, which is authorized by Public Law 88-259. An identical appropriation was approved by the Congress in the fiscal year 1965 Foreign Assistance Appropriation Act. The testimony last year and again this year indicated that it is highly unlikely that the total appropriation of \$411,760,000 will be paid out as an actual cash expenditure of the U.S. Treasury.

2. \$250,000,000 represents the second installment of the United States share in the increase in the resources of the Fund for Special Operations of the Bank. Public Law 89-6, approved March 24, 1965, authorized a total contribution of \$750,000,000 for this purpose. The first installment of \$250,000,000 was contained in the Second Supplemental Appropriation Act for 1965, approved April 30, 1965.

INTERNATIONAL DEVELOPMENT ASSOCIATION

1965 appropriation-----	\$61, 656, 000
1966 estimate-----	104, 000, 000
Recommended for 1966-----	104, 000, 000

The Committee recommends the appropriation of \$104,000,000, the budget estimate, as the first installment of a total supplementary contribution of \$312,000,000 to the resources of the International Development Association, as authorized by Public Law 88-310.

To date, the Congress has appropriated a total of \$320,290,700 to the Association which makes soft-term loans for development assistance purposes. This recommended appropriation plus the two additional appropriations of \$104,000,000 in fiscal years 1967 and 1968 will make a total U.S. contribution of \$632,290,700 to the Association.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating and administrative expenses.—The Budget proposed an operating expense budget of \$1,186,120,000 and an administrative expense budget of \$4,052,000. The Committee has approved the budget estimate for both purposes and has again included limitations in the accompanying bill to that effect.

GENERAL PROVISIONS

In connection with the General Provisions of Title I relating to the Foreign Assistance Program, the Committee has included a revised Section 111 which places responsibility on the President to issue such requirements for security investigations for contractor employees as are necessary to protect U.S. security and other interests rather than the present mandatory requirement for such security investigations.

Section 116 of the General Provisions of the bill of last year which prohibited the use of development loan receipts for development lending purposes has been deleted from this year's bill inasmuch as the Committee has included language in the Development Loans and in the Alliance for Progress Development Loans appropriations paragraphs permitting the use of loan receipts for development loans.

The Committee has also deleted Section 403 of the General Provisions of the Bill of last year which related to the conduct of any program similar to a national service corps or domestic peace corps as it is no longer applicable.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended.

On page 10, line 8, in connection with Title I, General Provisions:

SEC. 111. None of the funds appropriated or made available by this or any predecessor Act for the years subsequent to fiscal year 1962 for carrying out the Foreign Assistance Act of 1961, as amended, may be used on or after 60 days from the date of enactment of this Act to make payments with respect to any contract for the performance of services outside the United States by United States citizens unless the President shall have promulgated regulations that provide for the investigation of such citizens for loyalty and security to the extent necessary to protect the security and other interests of the United States: Provided, That such regulations shall require that any such United States citizen who will have access, in connection with the performance of such services, to information or material classified for security reasons shall be subject to such investigation as may otherwise be provided by law and executive order.

On page 14, line 10, in connection with the Ryukyu Islands:

Provided further, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

On page 15, line 14, in connection with Migration and Refugee Assistance:

, of which not to exceed \$7,050,000 shall remain available until December 31, 1966:

And on page 15, line 20:

Provided further, That \$371,000 of the balances of prior year appropriations under this head shall remain available until December 31, 1965.

MINORITY VIEWS

For many years some very basic reasons have been presented to the Congress setting forth the need for re-directing our whole foreign aid program. American taxpayers in growing numbers have expressed dissatisfaction with many aspects of the foreign aid program. It is to be hoped that a reshaping of this program soon will be implemented.

The Congress and the American people have the right to know the magnitude of United States programs of foreign assistance. It might be said that foreign aid comes in "assorted sizes and shapes." This appropriations bill calls for over three billion dollars in expenditures. But foreign aid is scattered throughout 10 bills presented to the Congress. Total requests of approximately \$7.5 billion for foreign assistance purposes have been submitted.

We believe that further substantial reductions can and should be made in the present programming of the 1966 Foreign Assistance Appropriations bill. We certainly do not advocate the denial of any necessary military or economic assistance to the South Vietnamese which would help hasten a Communist defeat and speed the return of U.S. servicemen from that theater of war.

However, in view of the war in Vietnam and the growing American commitment there, it is incumbent upon the Administration and the Congress to review every program, both foreign and domestic, and either postpone or eliminate unnecessary spending.

Our examination of foreign aid spending requests for fiscal 1966 reveals that responsible cuts can be made without endangering United States foreign policy or its commitments to other nations. The American people are entitled to know, and this report outlines in considerable detail the following:

1. The magnitude of foreign aid spending is not fully known by the average taxpayer. Total requests for foreign assistance purposes have been submitted to Congress this year amounting to over \$7½ billion.

2. The unexpended balance (pipeline) as of June 30, 1965, is estimated to be over \$10.6 billion.

3. Our commercial trade balance with aid-recipient countries has dropped sharply since 1960. The Latin America commercial trade balance is particularly alarming.

4. There is a definite relationship between the gold outflow and the federal government's programs of spending in foreign countries.

5. We are frequently told not to worry about the dollars spent for foreign aid because most of them are spent in this country. Close examination reveals we are talking about only *total commodity purchases*. For example, in fiscal year 1963, \$855 million was spent on commodities out of a total of foreign grants and loans of \$5.17 billion.

6. There is too much flexibility given AID in the use of appropriated funds with a lack of Congressional control over foreign aid projects.

7. We are squandering too much of our national resources in what is vaguely called the "national interest" without a close examination by the Congress and the people of this country.

8. There is strong evidence of a lack of concern for congressional intent specifically expressed in some instances in the hearings and sometimes in the foreign aid law itself.

Greater emphasis must be placed upon (1) energizing and encouraging private development resources of our own and in the developing countries; (2) initiating projects of a grass roots nature such as feeding the hungry and education programs in which there are assurances of reaching the mass of people.

MAGNITUDE OF FOREIGN AID PROGRAM

There is an apparent lack of knowledge on the part of the average taxpayer on the magnitude of our total foreign spending. During the subcommittee meetings the Honorable Otto Passman, Chairman of the Subcommittee on Foreign Operations, presented charts and other information which are based on the hearings held this year by the subcommittee. This information should be made known to the Congress and the people of the country, who have the right and are entitled to know the facts as presented by the informational charts and tables which follow.

The dollar figure most widely quoted for the cost of the foreign assistance program is \$3.4 billion. However, the President is requesting during this session of the Congress approximately \$7.5 billion for foreign assistance purposes. The table below indicates the various foreign assistance programs contained in the President's amended January budget:

New foreign aid funds requested in 1965

1. Foreign assistance requests, as amended (mutual security) ..	\$3, 459, 470, 000
2. Receipts and recoveries from previous credits.....	209, 770, 000
3. Military Assistance Advisory Group.....	76, 000, 000
4. Export-Import Bank (long-term credits).....	900, 000, 000
5. Public Law 480 (agricultural commodities).....	1, 658, 000, 000
6. Inter-American Development Bank (Latin America).....	705, 880, 000
7. International Development Association (IDA).....	104, 000, 000
8. Peace Corps.....	115, 000, 000
9. Contributions to international organizations.....	96, 953, 000
10. Permanent construction overseas (military).....	85, 986, 000
11. Education (foreign and other students).....	69, 200, 000
12. Ryukyu Islands.....	14, 733, 000
13. Migrants and refugees.....	7, 575, 000
14. Atomic Energy Commission (overseas).....	5, 900, 000
15. Inter-American Highway (Latin America).....	4, 000, 000

Total new foreign aid requests, first 6 months of 1965... 7, 512, 467, 000

The unexpended balance as of June 30, 1965, for the above-named programs or activities is estimated to be \$10,605,738,000. This is commonly referred to as the foreign aid "pipeline."

Complaints about the bottomless pipeline of unspent money and unobligated authority nearly always fall on deaf ears. However, this report should at least mention the Congress has approved virtually all of the \$7.5 billion requested for the foreign aid program as indicated in the foregoing table and thus approximately \$7 billion should be added to the \$10.6 billion in the pipeline.

We want to emphasize that this appropriation bill does *not* contain the funds for Public Law 480 (agricultural commodities), \$1.7 billion;

Military Assistance Advisory Group, \$76 million; contributions to international organizations, \$97 million; permanent construction overseas (military), \$86 million; education, \$69.2 million; Atomic Energy Commission (overseas), \$5.9 million; or Inter-American Highway, \$4 million.

At one point in the hearings the contention was made and not challenged that 53 international groups or subgroups are engaged in some form of activity which contributes to our total foreign aid effort.

We are helping 98 countries and 4 territories in fiscal year 1966. We think the American people ought to insist on a continuing objective analysis of the so-called "barebones" foreign assistance program.

U.S. COMMERCIAL TRADE BALANCE WITH AID-RECIPIENT COUNTRIES

Annually the committee has been told that the aid program helps develop markets for our exports. This year Secretary Rusk testified:

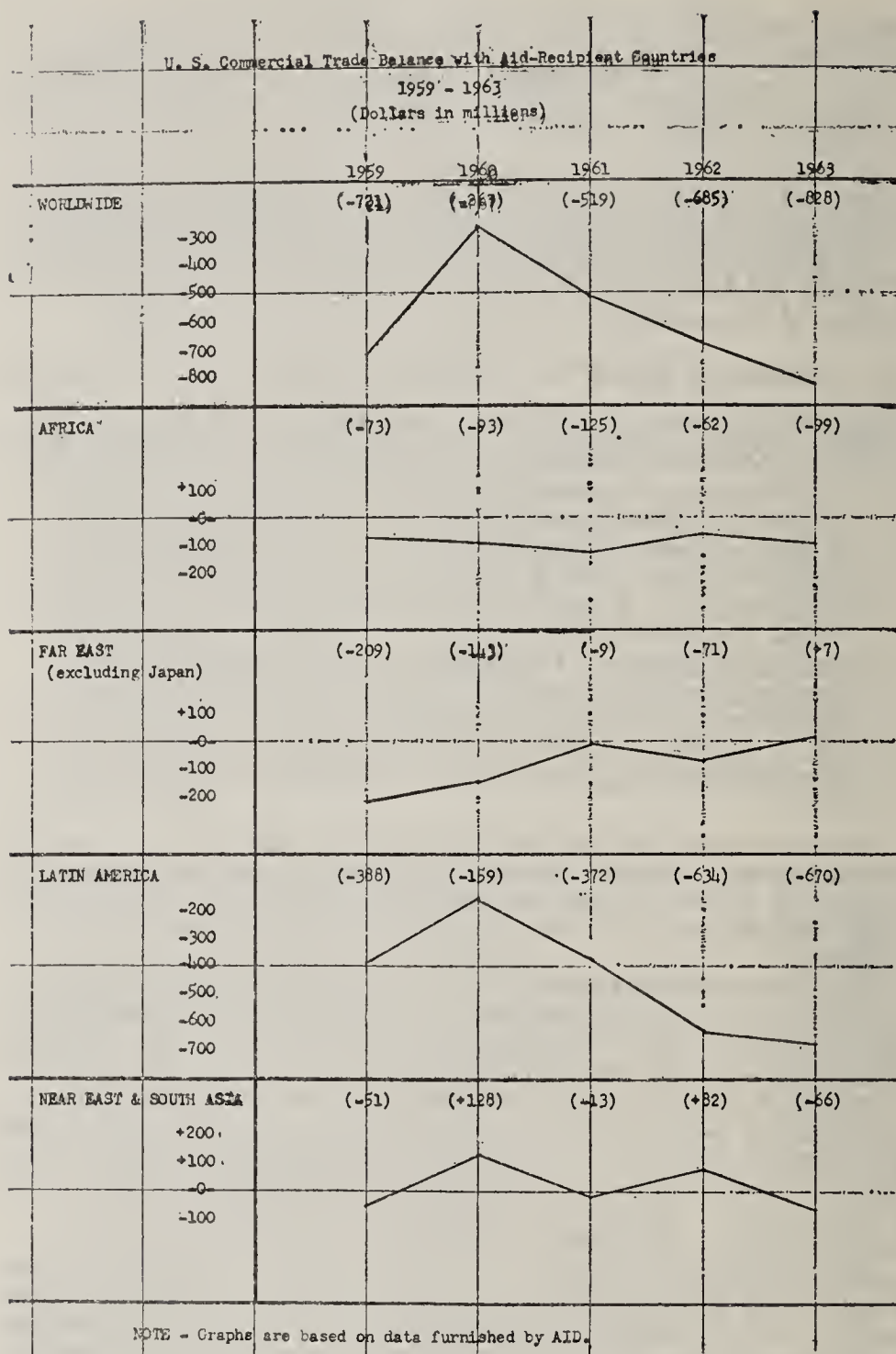
There are substantial future markets in the developing nations. As development picks up momentum, the peoples of these nations will be able to buy more from us and from other countries. The less developed countries are determined to grow—to buy more and to sell more. The United States can reasonably expect to get its fair share of these expanding markets. In addition, as these economies grow, there will be an increase in returns on growing American private investment in the less developed areas. Thus, foreign aid is a minor adverse factor in the current balance-of-payments problems; it is a strong positive factor over the long run.

It is important that the commercial trade *balance* be considered. Like a checking account, the balance in black is the most important factor. It is encouraging to make large deposits but if we make larger withdrawals, the balance goes into the red and we are in trouble.

The Subcommittee Chairman converted data obtained during the hearings into a worldwide graph and 4 regional graphs which portray our commercial trade balance which is the net of U.S. exports (excluding economic assistance-financed exports) and U.S. imports.

Inasmuch as we have been extending aid for many years—some of the countries included in the graph have been in the program since the Marshall Plan era—it would appear, if foreign aid opens the way for U.S. trade, that our commercial trade balance should be on a rising trend. Instead our commercial trade balance is on a very significant downward glide, as evidenced in the worldwide graph.

It is clearly obvious from the first graph that our commercial trade balance with aid-recipient countries has dropped sharply since 1960 and, of the four regional graphs, the only area that seems to indicate a rising trend is the Far East (excluding Japan) where the commercial trade balance has increased from -\$209,000,000 in 1959 to +\$7,000,000 in 1963. The Latin America commercial trade balance is alarming as our imports from Latin America exceeded our exports by \$159,000,000 when we started the Alliance for Progress program in 1960. In 1963 our imports from Latin America exceeded our exports by \$670,000,000.



PURCHASE OF U.S. GOLD BY FOREIGN COUNTRIES RECEIVING U.S. AID

We are concerned about the outflow of gold. It will be argued by some that it has no bearing, but we feel there has been a definite relationship between the gold outflow and the Federal Government's programs of spending in foreign countries—in other programs as well as the part of the foreign aid program which is now under consideration.

We are frequently told not to worry about the dollars spent for foreign aid—that most of them are spent in this country. Former Treasury Secretary Dillon said at a White House conference on February 18, 1965, "Today a full 85 percent of our foreign aid commitments go for American goods and services."

During our hearings we received testimony that the 85 percent applies only to total commodity purchases—in fiscal year 1963, \$855 million was spent on commodities out of a total of foreign grants and loans of \$5.17 billion. The rest was spent for overseas products, for foreign labor and for the almost 3500 personnel who were stationed overseas to administer aid. In 1963, 78 percent of the aid which was spent for commodities was spent in the United States, but for the total program of grants and loans only 16.5 percent was spent in this country. In 1964 the percentage of commodity purchases made in this country was 87 percent—but this was only 18.5 percent of the total, or less than \$1 billion. The profit on \$1 billion in sales is probably between \$100 and \$150 million (10 to 15 percent)—a high cost to all the taxpayers in addition to the harm to the balance of payments for the \$100 million profit.

The following table is an updating of the one included in the Committee report last year and reflects the gold purchases of 57 countries who have received military and/or economic assistance during the 7-year period 1958-1964.

Net sales of U.S. gold to foreign aid program recipients

[In millions of dollars—Negative figures represent net sales by the United States; positive figures represent net purchases]

Country	1958	1959	1960	1961	1962	1963	1964	Total
Algeria						-\$15.0		-\$15.0
Argentina	+\$67.2		-\$50.0	-\$90.0	+\$85.0	-30.0		-17.8
Austria	-84.2	-\$82.7	-1.1		-142.5	-32.1	-\$55.4	-398.0
Belgium	-329.4	-38.5	-140.9	-144.4	-63.0		-40.1	-756.3
Burma			-3.8		-20.9			-24.7
Cambodia			-12.0	-3.1	-1.7	+3.2		-13.6
Cameroon Republic						-1.9		-1.9
Central African Republic						-.7		-.7
Ceylon		-7.5						-7.5
Chad						-.7		-.7
Chile	+3.0	-1.3	-2.0	-6.6			-2.3	-9.2
Congo (Léopoldville)						-3.1	+1.6	-1.5
Costa Rica				-2.3	-.5			-2.8
Cyprus				-2.0				-2.0
Dahomey						-.8		-.8
Denmark	-17.0	-15.0	-15.0	-35.0	+15.0			-67.0
Dominican Republic				-3.0			-2.6	-5.6
Ecuador					-3.2	-2.3		-5.5
Egypt			-7.5	-7.8	-1.2	-2.2	-10.8	-29.5
Country A		-4.7	-3.0				-5.0	-12.7
France		-265.7	-173.0		-459.1	-517.7	-405.1	-1,820.6
Gabon						-.7		-.7
Germany (West)			-33.8	-22.5			-225.0	-281.3
Ghana			-5.6					-5.6
Greece		-15.0	-47.0	-10.2	-19.1			-91.3
Guinea						-2.8		-2.8
Honduras			-.8					-.8
Indonesia		-11.0	-24.9					-35.9
Iran	-2.3		-.4	-16.1		-5.9		-24.7
Iraq			-29.8					-29.8
Israel		-4.4			-10.0	-7.0	-2.0	-23.4
Italy	-348.8			+100.0			+200.0	-48.8
Ivory Coast		-157.4	-15.2		-1.5			-1.5
Japan	-30.1	-1.6						-202.7
Korea								-1.6
Laos				-1.9				-1.9
Lebanon				-21.0	-32.1		-10.5	-63.6
Mauritania						-.8		-.8
Mexico		-30.0	-20.0			-4.0		-54.0
Morocco			-21.0					-21.0
Netherlands	-260.9	-29.9	-249.4	-24.9			-60.0	-625.1
Niger						-.8		-.8
Nigeria				-20.0				-20.0
Pakistan			-12.5					-12.5
Peru			-15.0	-5.0	-.6	-10.6		-31.2
Portugal	-20.0	-10.0						-30.0
Salvador							-2.2	-2.2
Saudi Arabia			-11.3	-47.5	-12.6			-71.4
Senegal						-1.7		-1.7
Somalia					-1.9			-1.9
Spain	+31.7		-113.7	-156.2	-146.1	-130.0	-32.0	-546.3
Syria			-2.1		-1.3	-.4	-3.1	-6.9
Tunisia			-.5		-.5	-.5		-1.5
Turkey			-6.1	-2.5	-1.1	+2.0	+1.3	-6.4
United Kingdom	-900.0	-350.0	-550.0	-305.7	-387.0	+329.3	+617.7	-1,545.7
Upper Volta						-.8		-.8
Yugoslavia		-1.5	-15.9		-1.5	-1.9	-2.5	-23.3
Net sales of gold	-1,890.8	-1,026.2	-1,583.3	-827.7	-1,207.4	-439.9	-38.0	-7,013.3

In addition to the purchase of \$7,013,300,000 of U.S. gold stocks, 14 of the above-listed countries purchased an additional \$769,100,000 of our gold during the first quarter of calendar year 1965.

Data furnished to the Committee by the Treasury Department covering most of the 57 countries listed in the preceding table indicates that these countries also increased their short-term dollar holdings, official and private, from \$9,730,000,000 on December 31, 1957, to \$14,541,000,000 on December 31, 1964.

During the 7-year period the 57 countries listed in the foregoing tabulation received \$14,434,900,000 in military and/or economic

assistance from the United States. (In addition there were hidden benefits, such as favorable tariffs on beef imports, coffee agreements and world sugar quotas.) This leads us to conclude our financial assistance to those countries enabled them to accumulate over \$4,811,000,000 in short-term dollar credits and to purchase over \$7 billion of our gold.

MORE MONEY AVAILABLE FOR ECONOMIC PROGRAM IN 1966

The Committee recommendation of \$2,115,000,000 for economic aid for 1966 compared with the 1966 budget estimate indicates a cut of \$174,470,000.

That is only part of the story. A comparison of the amount available for the program, including carryover of unobligated balances, etc., reveals that there will be \$45,842,000 more available for 1966 than 1965.

There are three large increases in 1966 over 1965: International organizations and programs category is up \$10.4 million; Alliance for Progress development loans show an increase of \$16.5 million and the development lending program, exclusive of the Latin American area, will have \$14 million more.

The following table indicates the detail:

Economic assistance

[In thousands of dollars]

	Total available, 1965	Total available, 1966	Com- parison— Total available
Technical cooperation and development grants.....	230,510	234,000	+3,490
American schools and hospitals abroad.....	17,596	7,000	-10,596
Surveys of investment opportunities.....	2,186	1,976	-210
International organizations and programs.....	134,392	144,755	+10,363
Supporting assistance.....	442,468	384,012	-58,456
Contingency fund:			
General.....	60,364	52,858	-7,506
Southeast Asia.....		89,000	+89,000
Alliance for Progress:			
Technical cooperation and development grants.....	95,164	84,562	-10,602
Development loans.....	471,314	487,811	+16,497
Development loans.....	812,556	826,517	+13,961
Administrative expenses, AID.....	57,189	57,031	-158
Administrative expenses, State.....	3,041	3,100	+59
Total, economic assistance.....	2,326,780	2,372,622	+45,842

NO-YEAR FUNDS

Of the amount requested for fiscal year 1966 for economic aid, 58 percent are "no-year appropriations." In other words, of the Administration's request, \$1.3 billion will not expire on June 30, 1966, if not obligated. In fact, the \$1.3 billion will never expire. At the

request of Mr. Garner E. Shriver, the following information was presented by AID:

Amount of fiscal year 1966 request for economic assistance (AID) appropriations to be provided on a no-year basis

[In thousands]

	Requested appropriations	Percent of total economic appropriations requested
Development loans.....	\$780,250	35.5
Alliance for Progress loans.....	495,125	22.5
Total.....	1,275,375	58.0

EMPLOYMENT

There are three types of employees in the economic aid program:

(1) Direct hire employees—the regular Federal employees, including U.S. nationals and foreign nationals—the employees shown in the personnel tables issued by the Administration and printed in the budget.

(2) Other than direct hire employees—U.S. nationals and foreign nationals who are contract employees or employees borrowed from other agencies on a reimbursable basis.

(3) Foreign national trainees.

During the hearings, at the request of the distinguished Chairman of the Subcommittee, a table was inserted in the record on employment in both the economic and military assistance programs.

It was astonishing to learn there were 33,139 employees in the economic aid program on June 30, 1965, a net increase of 370 in 15 months. Employment of United States nationals increased at the amazing rate of 1,536 in those 15 months, while employment of foreign nationals and foreign national trainees was cut 1,166.

The subcommittee was told there were 15,600 regular direct hire employees on June 30, 1965. That was an increase of 50 over the January budget. To arrive at the 15,600, U.S. nationals were cut only 61—to 6,719—below March 31, 1964, but a much larger cut of 745—to 8,881—was assigned to foreign nationals.

“Other than direct hire” of U.S. nationals jumped to 5,208, an increase of 1,597, while foreign nationals for the same period decreased by 12 people—to 847. Foreign national trainees were cut in the same period by 409 to 11,484.

Strong supporters of the aid program argue that foreign national trainees are not employees of the United States on a technical basis. Regardless of semantics, they receive the benefit of the funds of the United States.

The following table was prepared from data submitted by the Administration during the hearings:

Foreign Assistance Act program, military and economic—Summary of personnel

	Economic				Military	
	Mar. 31, 1964	Mar. 31, 1965	June 30, 1965	Comparison		
				Mar. 31, 1964 and Mar. 31, 1965	Mar. 31, 1964 and June 30, 1965	
U.S. nationals:						
Direct hire.....	6,780	6,034	6,719	-146	-61	+981
Other than direct hire.....	3,611	3,966	5,208	+355	+1,597	-34
Total, U.S. nationals.....	10,391	10,000	11,927	+209	+1,536	+947
Foreign nationals:						
Direct hire.....	9,626	8,688	8,881	-938	-745	-537
Other than direct hire.....	859	847	847	-12	-12	-978
Total, foreign nationals.....	10,485	9,535	9,728	-950	-757	-1,515
Foreign national trainees.....	11,893	11,484	11,484	-409	-409	-4,351
Total:						
Direct hire.....	16,406	15,322	15,600	-1,084	-806	+444
Other than direct hire.....	4,470	4,813	6,055	+343	+1,585	-1,012
Foreign national trainees.....	11,893	11,484	11,484	-409	-409	-4,351
Total.....	32,769	31,619	33,139	-1,150	+370	-4,919
Total economic and military employees:						
March 31, 1964.....						71,416
March 31, 1965.....						65,347
June 30, 1965.....						66,867

INITIATION OF PROJECTS NOT PRESENTED TO CONGRESS

Testimony this year again confirmed the statement that the foreign aid program is presented to the Congress on an "illustrative" basis—that is, the agency requests funds for a project in one country but may spend the funds for a different type of program in another country.

For example, Chairman Passman asked, "You could actually testify for funds for a road in Pakistan, and build a brick building in India, and still be within the law, could you not?"

Mr. Macomber, Assistant Administrator, Bureau for Near East and South Asia, answered, "That is correct."

Chairman Passman asked a similar question of Mr. William D. Rogers, Deputy U.S. Coordinator, Alliance for Progress:

You could, under the law, testify for a building and loan bank in Guatemala and build a mountain resort with that money in Brazil if it qualified, could you not?

Mr. ROGERS. Yes, sir.

The flexibility under the authorization for use of appropriated funds is a primary factor in the ability of the Administration to initiate projects that have never been presented to the Congress—even on an illustrative basis. It is our opinion that very few of these projects are of such vital importance to our national interest that they must be initiated without having first been presented to the Congress. The following table indicates the extent and cost of the practice in the past 3 years:

Project initiation	Number of unjustified projects	First year cost	Estimated cost to complete
Fiscal year 1963.....	82	\$17,753,000	\$50,905,000
Fiscal year 1964.....	60	7,202,000	21,967,000
Fiscal year 1965.....	83	14,302,000	44,625,000

MISDIRECTION

The following is an example of the misdirection of the economic aid program.

One of the Members of the House of Representatives received a letter from a young man in the Peace Corps in Ecuador telling how the town of Bahia, a coastal village of some 8,000 inhabitants, was an excellent farming region until the mid-50's when it was hit by a severe drought, and since then people had been leaving the area. The rains returned last year and the harvests were nearly as abundant as prior to the drought.

US-AID has a project called "Asimow" to provide technical assistance to underdeveloped countries to help set up small locally owned industries. Last year Bahia was selected as the site to be studied for development of a small industry. The natives were very hopeful as the town has a completely agricultural economic base and not one industry. US-AID hired a university staff to make the study, but instead of assigning highly trained technical experts, a

group of undergraduates was sent. The natives were skeptical but accepted them and raised \$60,000 to begin a corn products industry as was suggested. Late last fall came word the study was incomplete and the industry suggested would fail if tried.

When Mr. Garner E. Shriver read the letter to AID Administrator Bell on May 4, he promised to submit a statement for the record. An explanation had not arrived by the time the hearings went to press. In fact a reply was not received until June 30. The lack of available information in Washington, and slow transmittal of a reply from the area is a further example of the inefficient operation of the program.

DAIRY DEVELOPMENT IN JAMAICA

Last year the Committee and subsequently the Congress approved in the Foreign Assistance Appropriation Act the so-called Whitten Proviso which reads as follows:

Of the foregoing amounts for economic assistance, \$300 million shall be available for obligation only through the apportionment review and approval procedure prescribed by law in such amounts and at such times as may be determined by the President to be in the national interest that funds otherwise available for the purposes of programs under this title are insufficient to meet the cost of additional authorized projects or programs.

On June 22, 1965, the President signed a determination in accordance with the above requirement, releasing \$182 million for use in the Development Loan and Alliance for Progress loan accounts. Subsequent to that date, using the funds released by the President and other uncommitted funds in the loan accounts—all of which had been taken into account when the recommendation for releasing part of the Whitten Proviso reserve was made to the President—the following loans were authorized prior to the end of the fiscal year:

[In thousands of dollars]

Loan No.	Name	Amount
615-H-003.....	Kenya-Polytechnic Institute.....	550
664-H-025.....	Tunisia-Highway Equipment and Maintenance.....	6,750
386-H-143.....	India-Dhuvaran Thermal Power.....	32,300
386-H-144.....	India-Durgapur Projects (II).....	16,500
271-H-112.....	Israel-Telephone Equipment.....	4,000
278-H-003.....	Jordan-Damiya Junction-Northshovna Road.....	1,640
277-H-061.....	Turkey-Demirkoy-Ayancik Sawmills.....	2,750
277-H-062.....	Turkey-Feasibility Studies.....	4,000
277-H-063.....	Turkey-Keban Hydro Electric Project.....	40,000
512-L-051.....	Brazil-Sao Paulo Electric. Distrih.....	15,000
512-L-050.....	Brazil-Rio Light Electric. Distrih.....	25,000
504-L-001.....	Br. Guiana-Atkinson Field-MacKenzie Road.....	5,500
513-L-026.....	Chile-I.F.I. Coop. Dev. Bank.....	3,650
513-L-027.....	Chile-C.O.R.F.D. Dev. Bank.....	6,000
513-L-028.....	Chile-Fertilizer Import Prog.....	3,600
515-L-015.....	Costa Rica-Rural Electrification.....	3,300
518-L-026.....	Ecuador-C.O.F.I.E.C.-Private Dev. Bank.....	3,000
518-L-027.....	Ecuador-Primary Education Improvement.....	5,300
519-L-009.....	El Salvador-Rural Road Construction.....	1,200
532-L-005.....	Jamaica-Dairy Development.....	3,800
524-L-011.....	Nicaragua-Tax Improvement & Resources Study.....	5,400
	3 loans authorized but not yet announced.....	16,300
	Total.....	205,540

One of the items listed above is for \$3.8 million for dairy development in Jamaica. Was that expenditure of taxpayers' money in the national interest? These words "national interest" are greatly over-used. Any give-away could conceivably be argued to be in the national interest.

Witnesses for the AID keep returning to the "national interest" theory. We are for the national interest, too, but we do not feel it is served by squandering our resources.

The list of weaknesses in the foreign aid program area is almost without end. Two related defects, one of them chargeable to Congress itself, are: 1. The increasing willingness of the Congress to abdicate its responsibility to control foreign aid funds, and 2. Strong evidence of lack of concern for congressional intent specifically expressed in some instances in the hearings and sometimes in the foreign aid law itself, despite occasional devices such as the Whitten Proviso which placed \$300 million in escrow until such time as AID officials clearly demonstrated they had no more money to carry out an authorized program of economic assistance.

REPORT OF PRESIDENTIAL ADVISORY COMMITTEE ON PRIVATE ENTERPRISE IN FOREIGN AID

Foreign aid, unless it is amplified by private initiative, is doomed to be a costly palliative that will go on indefinitely. The fundamental difficulty lies not in the idea of foreign aid, nor its execution by the Agency for International Development, but in the vast gap between the human and financial resources actually going into the developing nations and the resources they need to grow at an acceptable rate.

The foregoing quotation is from a summary report released on August 26, 1965, by the President of the United States. Its author is Arthur K. Watson, Chairman, IBM World Trade Corporation, and chairman of the Advisory Committee on Private Enterprise in Foreign Aid.

The undersigned minority members of the Appropriations Committee subscribe substantially to the aforesaid doctrine. Elsewhere in the letter transmitting the 53-page report, Mr. Watson says: "No matter how carefully our aid dollars are invested and no matter how wise and energetic AID's personnel may be, there is still not enough money nor people to accomplish the vast task the U.S. has undertaken."

The report goes on to urge that our foreign assistance efforts put increasing stress on energizing and encouraging private development resources, our own and those of the developing countries.

This document might appear self-serving if the advisory committee were comprised only of persons engaged in international commerce. But such is not the case; the makeup of the committee shows educators, a labor executive, a jurist, and a farm co-op leader.

There is almost no certain place at which to begin and clearly no place whatsoever to end a critique on our foreign assistance programs.

We are told foreign aid is a tool of our foreign policy. That suits us fine, but here again we feel AID management misses the mark too many times.

In the matter of serving up aid to countries whose leaders have clearly demonstrated inimical feelings toward the United States, we think the Congress should insist in the strongest terms that such countries be denied any form of aid.

The American public must be puzzled when it reads about the following exchange between the Subcommittee Chairman and Mr. Edmond C. Hutchinson, Assistant Administrator, Bureau for Africa, AID:

Mr. HUTCHINSON. We do not like to provide aid to people who spit in our faces.

Mr. PASSMAN. Then why do you give it to them?

Mr. HUTCHINSON. There are circumstances in which there is a balance of U.S. interest involved.

Now, how often do we have to turn the other cheek?

In the Senate during this year's debate on Foreign Assistance, Senator Jack Miller reoffered his amendment to withhold U.S. foreign aid from those nations more than one year in arrears in their U.N. dues and assessments, reserving reasonable exceptions to be made by the President. It was once more opposed by the administration, and consequently defeated.

It is difficult to place oneself in the position of going against so much "blue chip" testimony that any reduction in foreign aid would damage the vital interest of the United States. But in prior years such reductions have been made without impairing our "image." Our image may have suffered some impairment around the world but not on account of a reduced foreign aid program.

EFFICIENT MANAGEMENT ESSENTIAL

Even so, we are not talking so much about reduction per se as efficient management.

Three billion dollars or even more in foreign aid could well be supportable if our country and our aims in the world affairs were getting that much good out of it. But even one-third of that much money would be too much if it were being wasted, as much of these funds are at the present time.

Much has already been said about the great infrastructure flexibility of the AID funds, so we won't belabor that again. But the AID personnel should not abuse their transferability privileges so flagrantly. As was said on the House Floor during last year's debate on this bill: "There is looseness in control and application of funds and programs. Only after the money is spent and gone do we learn of bungling, mismanagement and waste." There must be some way to provide tighter Congressional control over these programs, before the money has been wasted and the chance to gain support abroad dissipated.

The AID Administrator praised the quality of his overseas project personnel. We are pleased he has such a high regard for them, but has any one of them ever tried to justify a project's cost/benefit ratio to the U.S. Corps of Engineers and the appropriate congressional

committees? If these projects were submitted to the same tests of feasibility applied to similar projects constructed in the United States, we'd have fewer roads to nowhere, dams that impound no useful water, and worthless irrigation projects. These projects could well be the catalyst enabling other nations to help themselves, much as they serve that purpose in the United States. But they certainly should be subjected to the same criteria that projects constructed within our own borders must meet.

At least two Congressional committees, the Foreign Affairs Committee and the Joint Economic Committee, are presently conducting hearings on the best use of our enormous holdings of foreign currencies around the world. We look forward to their reports with interest and hope their studies will result in better and more economical management of those funds, to the end that those currencies will be expended in place of dollars.

DIRECTION OF PROGRAM

The foreign aid program needs a major revamping, and the bulk of the American people are thoroughly in accord with this feeling. Our taxpayers would take a far better view of the program if they could see that the accomplishments were more favorable to the people of the recipient countries. Certainly the focus of our foreign aid program should be upon:

1. Responsive projects using our abundance of food to feed the unfortunate peoples of the world where starvation is all too prevalent, and
2. Initiation of educational programs to help the people of newly-emerging nations to better enable them to take their place in a continually more complex civilization.

It occurs to us that much of the foreign aid program has been misdirected. We have given cash grants to dictators, and to neutral and even unfriendly governments, with little of the benefits reaching the people. Emphasis has to be placed on keeping this a "people to people" program. By genuinely giving this impression to the people of the world, a foreign aid program could well be the most significant program for world peace and understanding in our entire government.

Everyone knows no one can buy friends. As the House Minority Report on the 1965 Foreign Assistance Authorization Bill states, "Foreign aid has not halted either the expansion of communism or the drift of many aid recipient nations toward Communist ideologies."

Witnesses testified before the committee on the need for separating the military assistance program from the economic aid program. We agree that the time has come for the program to be re-examined.

We support the minority views contained in the Committee Report on this bill of last year which are as follows:

We feel that as legislators (1) we are disinterested judges, looking only at the facts as we see them; (2) we are interested in saving money for the taxpayers of the United States; and (3) we are interested in furthering the purposes of the foreign aid program as set forth in authorizing legislation.

We also feel major changes in its direction and application must be made if we are to realize its potential.

Few Members of Congress question the fact that something is definitely defective in the present structure of a foreign aid program which can consume so much money and yield such minimal results.

The time has come for a major overhauling. This should well be one of the major duties of this 89th Congress.

GARNER E. SHRIVER.

MARK ANDREWS.

FRANK T. BOW.

CHARLES R. JONAS.

MELVIN R. LAIRD.

E. A. CEDERBERG.

GLENARD P. LIPSCOMB.

JOHN J. RHODES.

WILLIAM E. MINSHALL.

ROBERT H. MICHEL.

ODIN LANGEN.

BEN REIFEL.

GLENN R. DAVIS.

JOSEPH M. McDADE.

ADDITIONAL VIEWS OF MR. CONTE AND MR. ROBISON

We, the undersigned, are committed to the idea and the spirit of foreign aid as a vital arm of our foreign policy; to it we give our full support as we have done consistently during the years it has been our privilege to serve in the Congress. One of the undersigned, Mr. Conte, has served 7 years on this important Committee.

We are charged by the American people with the responsibility of carefully scrutinizing and evaluating the proposed program and expenditures of our foreign assistance efforts. The discharge of that responsibility is an awesome and commanding task, one to which we have all devoted many hours. A recent study of our foreign aid program expressed it in this way:

The efforts of advanced countries to help less developed nations toward economic growth and political maturity will go on. From time to time, there will be doubts and misgivings about the wisdom or the effectiveness of the effort. Nevertheless, most Americans understand very well that the effort should continue and our political and economic interests are best served by building up the productive capabilities and democratic institutions of the less developed countries. What Americans do demand, and what they are entitled to have, is the assurance that their resources and support are applied with intelligence, skill and dedication. ("Foreign Aid through Private Initiative," Report of the Advisory Committee on Private Enterprise in Foreign Aid, Agency for International Development, Washington, D.C., July, 1965.)

Any judgments which are to be made concerning foreign assistance should be made with the history and experience of our programs firmly in mind. It is no fairer to expect the countries receiving our aid to advance to the level, that it has taken this country nearly two centuries to achieve, in less than twenty years, than it is to say that our aid administrators have failed in their assignments because the job is not yet completed and our assistance efforts must go on.

However, support of foreign assistance legislation must be neither blind nor indifferent. We do not contend that we have reached the apogee or the perigee of possible implementing programs for foreign assistance. In these additional views, we do not intend to malign the program or its participants in a spirit of negativism. We seek only to present our constructive criticisms of the program and to set forth our proposals and endorsements for what we consider would be the improvement of our assistance efforts.

NEED FOR A RADICAL REVISION OF THE PROGRAM

We feel that it is time to make a comprehensive re-evaluation of our program of assistance, revamping it to meet the needs of the

developing countries in a manner that does not merely duplicate of the past.

There is something new in the foreign aid program this year—the increasing introduction of planned selectivity. Today, we are proposing aid to 72 countries, with 95 percent of our assistance going to 31 of these countries.

However, what we need today is not something new in the program so much as a new program. The total impact of our aid program remains diluted and weakened by the fact that we have still spread ourselves too thin. We should no longer attempt to do a little bit for everybody within a constrained budget, even on the reduced scale of 72 countries.

The 80th, a Republican Congress, acting in the wake of the destruction and devastation of World War II under the able leadership of then Congressman Christian Herter and Senator Arthur Vandenberg, established high standards for all future assistance programs in the Marshall Plan and the Truman Doctrine. The success and the indomitable spirit of these men were reflected in the programs which they had advocated and the new hope for the world which they provided. In many respects, the challenge with which we are faced today in our assistance efforts is as great as faced the 80th Congress. We must pick out of the sea of generalizations, a program of specialization. It will require basic and fundamental changes in our approach to assistance, in the scope and character of that program. What we must maintain is the drive and spirit of the efforts of those who have preceded us.

We have witnessed exciting successes in our assistance efforts of the past, as we have also experienced disappointing failures. In retrospect, we believe that the tally sheet is more than balanced in favor of the efforts that have been made. We have seen the substantial eradication of malaria in vast areas of the world where it had afflicted generation after generation; we have witnessed the worthwhile work done by the Peace Corps; we have brought educational institutions of all levels to people who would otherwise have been unable to train as technicians and develop professional skills enabling their countries to go forward with their own self-help programs. The list could go on and on. However, the mere duplication and proliferation of what has proved successful in the past does not ensure continued success in the future.

At this time, we do not recommend a substantial reduction in the efforts we are making nor a shrinking away from the task which is before us. We do recommend increased emphasis upon and the further implementation of the program of carefully planned selectivity. By concentrated and intensive efforts in a small number of countries with development potential and promise, coupled with the will of the people of the country to be partners in the assistance efforts, rather than a part of a giver-getter relationship, we can bring the country up to the level of achievement and continuing progress that it can join with us in aiding others. If a sound and diversified economic base can be established in underdeveloped countries, they, in good time, will have the means to offer their help to their lesser developed neighbors.

We will be able, then, to build an assistance program from a limited base that will ultimately reach all the developing nations of the

world. The program will, at the same time, place even less of a burden upon this country and will rely more on regional identification of interest and the concern of neighboring nations, one for the other. Other developed nations of the free world are joining with us now in the fight against hunger, disease and despair. During 1963 commitments by other free world nations for economic development increased, while United States' commitments declined to less than half the free world total. The nations we helped after World War II are now helping others.

We have the basis for such selectivity in this year's program. In the development loan program, 74 percent of all the loans will go to only 7 countries. These countries are all engaged in strong, self-help development programs. Their potential role in future development efforts should not be lost in the miasma of too many programs and too many projects, in too many countries.

The new program of selectivity which we propose is one of two degrees. First, we must be selective in the number of countries in which we have an aid involvement. Second, we must be selective in the choice of the countries in order to assure that those countries in the program have the desire and ability to make the best use of our aid. We can spare no funds, especially in a program of a limited number of countries, for the support of marginal activities or for costs that aid-receiving nations are able to carry themselves. The helping hand that we offer must be grasped by the people of the country to whom it is extended.

NEED FOR INCREASED EMPHASIS ON ASSISTANCE TO LATIN AMERICA

In a new or reinforced program of selectivity in our assistance efforts, we recommend that one area of emphasis be Latin America. The potential and the need for development there have been long overlooked and short-changed. There are pressing needs for agrarian and tax reform in Latin America. We are just beginning to see the results of the progress that has been made possible under the Alliance for Progress. Latin America is truly on the march and we must ensure that momentum is maintained. We can do so by more selective and intensified economic assistance efforts.

NEED FOR A NEW APPROACH TO MILITARY ASSISTANCE FOR LATIN AMERICA

We do not support the continued high level of military assistance to Latin America. The appropriation request for this funding category has systematically increased with each passing year despite a materiel limitation of \$55 million. We are not convinced that, in every instance, these funds are applied only toward the intended goal—the maintenance of the internal security of the individual Latin American countries. These funds could well be an enabling factor in any Latin American country's build-up of military capabilities for external aggression and in many of the coups that have taken place in Latin America.

We recommend that early and serious consideration be given to a regional military defense organization for Latin America similar to NATO. The value of such a regional organization would be many fold. It would enable us to eliminate or curtail the grants of military

assistance to individual Latin American countries. It would provide an identification of interest and purpose, common to all of the Latin American countries, for the defense of Latin America.

It is essential that these nations realize that the communist threat affects all Latin American nations, not just a few. While these countries are, of course, independent entities, the successful resistance of any one country to this threat may well be dependent upon the combined efforts of all, singularly and forcefully brought to bear on the common foe.

NEED FOR BETTER UTILIZATION OF EXCESS FOREIGN CURRENCIES

We must stop merely planning how to use the growing amounts of United States-owned foreign currencies in the eight excess currency countries, and start using them. We have more than one and a half billion dollars worth of these currencies. Within the past month, we have seen the value of the excess currencies which we hold in Yugoslavia decrease by the devaluation of the dinar.

It is not, however, only inimical to the interests of the United States to maintain these holdings of excess currencies. The countries where these currencies are held criticize this country for these excess accumulations and express concern that they might be put to a use seriously affecting the internal financial and economic interests of the particular country.

Proposals for the use of these funds have been rejected for lack of definiteness by the Congress and the agencies that could put these funds to use seem reluctant to request them as part of their dollar appropriations. However, it is in the interest of both this country and the host countries that these idle currencies be put to work.

India is one of the eight excess currency countries. As of June 30, 1964, the United States had accumulated nearly \$980 million worth of Indian rupees from PL 480 sales proceeds, from payments of principal and interest on past development loans to India, and from interest on U.S.-owned rupee bank deposits in India. Of this amount, \$392 million is earmarked for exclusive U.S. use and \$588 million is reserved for India's use in the form of development loans and grants. The amount of U.S.-use currency is expected to increase to about \$611 million by the end of fiscal year 1966.

The amount being presently spent for U.S. uses in India is about \$25 million annually. It has been estimated that at current rates of expenditure, U.S.-owned rupees in India represent roughly a 28 year supply of estimated requirements for our general purposes in that country.

The excess currency in India, as in other excess currency countries, is not readily available for the purchase of goods and services, nor is it freely convertible into other currencies. Under these circumstances, it would be desirable for the United States to find ways to put to use some of its rupee holdings. We can do so in such a way as to help the Indian economy and the educational structure. However, there has been no development of constructive programs to use sufficiently these funds to strengthen the assistance efforts of this country or to implement our foreign policy.

We single out India because it is the country in which we hold the largest amount of U.S.-owned foreign currencies. At the same time, it is the country where the greatest effort has been made by American

officials, under Ambassador Chester Bowles, to try to put this idle currency to work for us. These efforts have been of no avail and signal the need for the action of the Committee and Congress. Mr. Conte, together with Ambassador Bowles, has proposed the use of the U.S.-owned rupees to strengthen our administrative operations in India, to establish a bi-national educational foundation, and to strengthen our programs and activities within that country.

The programs of the Foundation could include:

1. Establishing scholarships for outstanding Indian students.
2. Strengthening selected institutions of technology, agriculture, teacher training, and multipurpose high schools to make scholarship programs more effective.
3. Grants for improvement of textbooks and other teaching material at primary and secondary levels.
4. Additional support to existing American institutions in India such as those at Hyderabad and Poona.
5. Promotion of Indian literature, art, music and dance in the form of grants to the three national academics located in New Delhi.
6. Development of public libraries and student reading centers which 100 Indian cities urgently need.

We could achieve similar purposes in all of these countries with these idle funds, to the mutual benefit of the excess currency countries and the American image around the world.

NEED FOR PRIVATE ENTERPRISE IN THE FOREIGN AID PROGRAM

We endorse the *Report of the Advisory Committee on Private Enterprise in Foreign Aid*.

The gap between the resources that have in the past gone into the developing countries and the resources that the people of these countries need, as well as the fact that there does not seem to be enough money to accomplish the task that this country has undertaken, should not prompt our resignation to a futility of our assistance efforts nor invite us to abandon them. It is, rather, a call to meet the challenge before us through the enlistment of the private resources in which this nation so plentifully abounds.

We are a nation built upon individual initiative and private enterprise. We have, then, no better spokesmen for the freedom of choice and the economic advantages of the opportunities afforded by a democratic society than the very people who have, as a part of such a society, grown and developed to the point where they can now offer their assistance to those eager to set out on the long road for themselves.

We have seen the application of private initiative on a small scale reap large scale benefits for the participants from both this and the developing country with the small businessmen's project in Tunisia which was financed, in part, by A.I.D. If we are going to emphasize a "people to people" program in our aid efforts, we should encourage it on that level.

We recommend concerted efforts to enlist the help of private enterprise and private initiative, remembering that money alone will not do the job that must be done. Our universities, business enterprises, labor unions and professional societies are a vast and virtually untapped reservoir of capital, skills and human resources that must be motivated and applied to assist the world's developing countries.

While the eventual success or failure of our foreign assistance programs may not be determined by the contributions made by American private initiative, we are convinced that the earliest possible successful accomplishment of the goal depends upon their participation.

NEED FOR A NEW PERSONNEL PROGRAM

There has been very little Congressional action taken regarding the special personnel problems encountered by AID. The administrators are responsible for the operation of an international business, but find themselves forced to apply differing standards to a single position or person. The personnel policy is administered in part under the Foreign Service Act and in part under the Civil Service System. This involves a change in status for every employee who is sent from Washington, where he is a civil servant, to one of the overseas posts, where he assumes Foreign Service Reserve status. A similar change operates in reverse for the employee returning to this country from an overseas assignment.

As a result, it is a difficult procedure merely to make the changes essential to upgrade the personnel of the Agency. David Bell, the extremely capable and dedicated administrator for AID, declares the lack of personnel authority specifically designed for the Agency is the number one problem with which he is faced. In his testimony before the Subcommittee, he indicated that the continuation of the stop-gap system has accounted for the accumulation of a number of people, under the protective umbrella of civil service, who are not qualified to meet the rigorous requirements of the program as it is carried to the developing nations of the world today.

We recommend enactment by the Congress of a personnel statute drawn specifically to meet the unique requirements of the Agency for International Development in its employee relations and policy.

CONCLUSION

Remarks made by one of the undersigned, Mr. Conte, during the debate on this legislation one year ago on the Floor of the House, express the purpose and intent of these, our views, and are as timely today as when they were presented. We cite them in conclusion of these views:

Every Member of this House wants to see improvements made in the foreign aid program. There is not a Member who does not have his own ideas about how this could be accomplished. Some of the criticisms and suggestions of Congress have been put into effect and have helped to improve the program. It is important for Congress to continue to suggest changes and improvements. If anything, there is need for even greater congressional examination of the strengths as well as the weaknesses of foreign aid. But there are any number of ways in which Congress can influence the course of foreign aid without casting doubt on the concept, undermining the confidence in the program, and creating a negative political climate which favors restrictions and reductions rather than healthy, constructive criticism and support.

SILVIO O. CONTE.
HOWARD W. ROBISON.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1965, AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1966

TITLE I—FOREIGN ASSISTANCE

Item	Appropriations, 1965	Budget estimates, 1966	Recommended in bill for 1966	Bill compared with—	
				Appropriations, 1965	Budget estimates, 1966
FUNDS APPROPRIATED TO THE PRESIDENT					
MUTUAL DEFENSE AND DEVELOPMENT					
ECONOMIC ASSISTANCE					
Technical cooperation and development grants-----	¹ \$202, 071, 000	² \$219, 000, 000	\$202, 355, 000	+ \$284, 000	— \$16, 645, 000
American schools and hospitals abroad-----	16, 800, 000	7, 000, 000	7, 000, 000	— 9, 800, 000	-----
Surveys of investment opportunities-----	1, 600, 000	-----	-----	— 1, 600, 000	-----
International organizations and programs--	134, 272, 400	³ 145, 555, 000	144, 755, 000	+ 10, 482, 600	— 800, 000
Supporting assistance-----	401, 000, 000	⁴ 449, 200, 000	369, 200, 000	— 31, 800, 000	— 80, 000, 000
Contingency fund, general-----	99, 200, 000	50, 000, 000	50, 000, 000	— 49, 200, 000	-----
Contingency fund, Southeast Asia-----	-----	-----	89, 000, 000	+ 89, 000, 000	+ 89, 000, 000
Alliance for Progress:					
Technical cooperation and develop- ment grants-----	84, 700, 000	85, 000, 000	75, 000, 000	— 9, 700, 000	— 10, 000, 000
Development loans-----	425, 000, 000	495, 125, 000	445, 125, 000	+ 20, 125, 000	— 50, 000, 000
Development loans-----	773, 727, 600	780, 250, 000	675, 225, 000	— 98, 502, 600	— 105, 025, 000
Administrative expenses, AID-----	⁵ 53, 600, 000	55, 240, 000	54, 240, 000	+ 640, 000	— 1, 000, 000

Administrative expenses, State-----	3, 029, 000	3, 100, 000	3, 100, 000	+71, 000	-----
Subtotal, economic assistance-----	2, 195, 000, 000	2, 289, 470, 000	2, 115, 000, 000	-80, 000, 000	-174, 470, 000
MILITARY ASSISTANCE					
Military assistance-----	1, 055, 000, 000	1, 170, 000, 000	1, 170, 000, 000	+115, 000, 000	-----
Limitation on administrative expenses-----	(24, 000, 000)	(23, 500, 000)	(23, 500, 000)	(-500, 000)	-----
Total, title I, foreign assistance-----	3, 250, 000, 000	3, 459, 470, 000	3, 285, 000, 000	+35, 000, 000	-174, 470, 000

¹ Reflects transfer of \$2,400,000 to "Administrative expenses, AID," and \$129,000 to "Administrative expenses, State," for Pay Act costs.

⁴ Contains increase of \$80,000,000 in H. Doc. 197.
⁵ Includes transfer of \$2,400,000 from "Technical cooperation and development grants."

² Contains increase of \$9,000,000 in H. Doc. 197.

⁶ Includes transfer of \$129,000 from "Technical cooperation and development grants."

³ Reflects reduction of \$9,900,000 contained in H. Doc. 150.

Comparative statement of appropriations for 1965, and estimates and amounts recommended in bill for 1966—Continued

TITLE II—FOREIGN ASSISTANCE (OTHER)

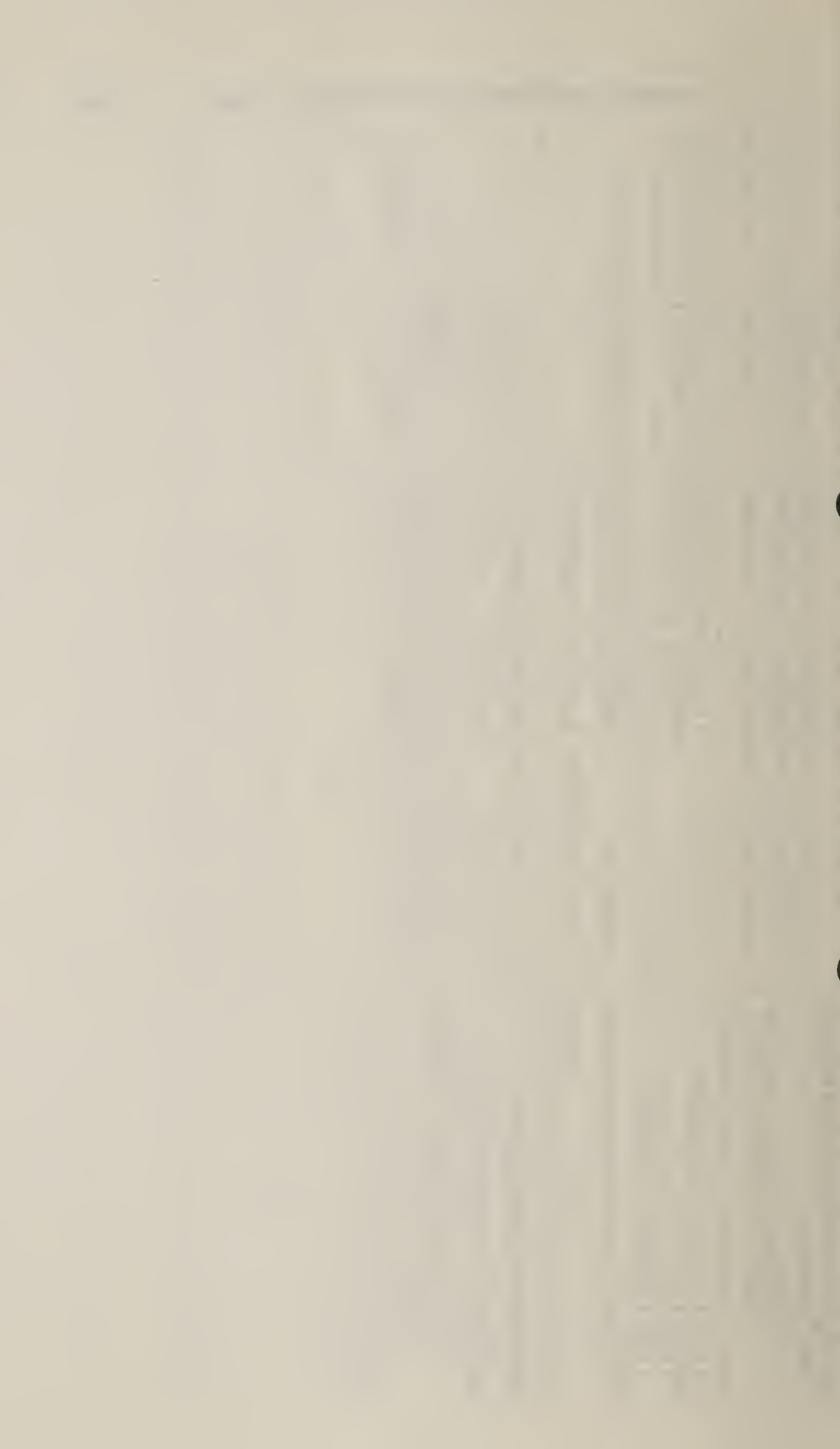
Item	Appropriations, 1965	Budget estimates, 1966	Recommended in the bill	Bill compared with—	
				Appropriations, 1965	Budget estimates, 1966
FUNDS APPROPRIATED TO THE PRESIDENT					
Peace Corps-----	¹ \$87, 100, 000	² \$115, 000, 000	³ \$102, 000, 000	+\$14, 900, 000	—\$13, 000, 000
Limitation on administrative expenses-----	(22, 708, 000)	⁴ (24, 100, 000)	(24, 100, 000)	(+1, 392, 000)	-----
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS					
Ryukyu Islands, Army, administration-----	14, 441, 000	14, 733, 000	14, 733, 000	+292, 000	-----
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Assistance to refugees in the United States-----	⁵ 32, 211, 000	⁶ 32, 265, 000	32, 265, 000	+54, 000	-----
DEPARTMENT OF STATE					
Migration and refugee assistance-----	8, 200, 000	7, 575, 000	7, 575, 000	—625, 000	-----
FUNDS APPROPRIATED TO THE PRESIDENT					
Investment in Inter-American Development Bank-----	455, 880, 000	⁷ 455, 880, 000	455, 880, 000	-----	-----

Subscription to the International Development Association-----	61, 656, 000	104, 000, 000	104, 000, 000	+42, 344, 000	-----
Total, title II, foreign assistance (other)-----	659, 488, 000	729, 453, 000	716, 453, 000	+56, 965, 000	-13, 000, 000

¹ Plus \$17,000,000 of unobligated funds remaining available on June 30, 1964.
² Reflects reduction \$10,200,000 contained in H. Doc. 150.
³ Plus \$12,100,000 of unobligated funds remaining available on June 30, 1965.
⁴ Reflects reduction of \$500,000 contained in H. Doc. 150.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses-----	(\$1, 350, 060, 000)	(\$1, 186, 120, 000)	(\$1, 186, 120, 000)	(- \$163, 940, 000)	-----
Limitation on administrative expenses-----	(3, 915, 000)	(4, 052, 000)	(4, 052, 000)	(+ 137, 000)	-----
Total, title III, Export-Import Bank-----	(1, 353, 975, 000)	(1, 190, 172, 000)	(1, 190, 172, 000)	(- 163, 803, 000)	-----
Grand total, all titles-----	3, 909, 488, 000	4, 188, 923, 000	4, 001, 453, 000	+91, 965, 000	-\$187, 470, 000



Union Calendar No. 402

89TH CONGRESS
1ST SESSION

H. R. 10871

[Report No. 955]

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 2, 1965

MR. PASSMAN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1966, namely:

1 TITLE I—FOREIGN ASSISTANCE
2 FUNDS APPROPRIATED TO THE PRESIDENT
3 MUTUAL DEFENSE AND DEVELOPMENT

4 For expenses necessary to enable the President to carry
5 out the provisions of the Foreign Assistance Act of 1961, as
6 amended, to remain available until June 30, 1966, unless
7 otherwise specified herein, as follows:

8 ECONOMIC ASSISTANCE

9 Technical cooperation and development grants: For
10 expenses authorized by section 212, \$202,355,000.

11 American schools and hospitals abroad: For expenses
12 authorized by section 214 (c), \$7,000,000.

13 International organizations and programs: For expenses
14 authorized by section 302, \$144,755,000.

15 Supporting assistance: For expenses authorized by sec-
16 tion 402, \$369,200,000.

17 Contingency fund, general: For expenses authorized by
18 section 451 (a), \$50,000,000.

19 Contingency fund, southeast Asia: For expenses author-
20 ized by section 451 (a), \$89,000,000.

21 Alliance for Progress, technical cooperation and develop-
22 ment grants: For expenses authorized by section 252,
23 \$75,000,000.

24 Alliance for Progress, development loans: For expenses

1 authorized by section 252, \$445,125,000, together with such
2 dollar amounts as are authorized to be made available for
3 assistance under section 253, all such amounts to remain
4 available until expended.

5 Development loans: For expenses authorized by sec-
6 tion 202 (a), \$675,225,000, together with such amounts as
7 are authorized to be made available for expenses under sec-
8 tion 203, all such amounts to remain available until ex-
9 pended: *Provided*, That no part of this appropriation may
10 be used to carry out the provisions of section 205 of the
11 Foreign Assistance Act of 1961, as amended.

12 Administrative expenses: For expenses authorized by
13 section 637 (a), \$54,240,000.

14 Administrative and other expenses: For expenses au-
15 thorized by section 637 (b) of the Foreign Assistance Act
16 of 1961, as amended, and by section 305 of the Mutual
17 Defense Assistance Control Act of 1951, as amended,
18 \$3,100,000.

19 Unobligated balances as of June 30, 1965, of funds
20 heretofore made available under the authority of the
21 Foreign Assistance Act of 1961, as amended, except as
22 otherwise provided by law, are hereby continued available
23 for the fiscal year 1966, for the same general pur-
24 poses for which appropriated and amounts certified pursuant

1 to section 1311 of the Supplemental Appropriation Act,
2 1955, as having been obligated against appropriations here-
3 tofore made under the authority of the Mutual Security Act
4 of 1954, as amended, and the Foreign Assistance Act of
5 1961, as amended, for the same general purpose as any of
6 the subparagraphs under "Economic Assistance" are hereby
7 continued available for the same period as the respective
8 appropriations in such subparagraphs for the same general
9 purpose: *Provided*, That such purpose relates to a project
10 or program previously justified to Congress and the Com-
11 mittees on Appropriations of the House of Representatives
12 and the Senate are notified prior to the reobligation of funds
13 for such projects or programs.

14 MILITARY ASSISTANCE

15 Military assistance: For expenses authorized by section
16 504 (a) of the Foreign Assistance Act of 1961, as amended,
17 including administrative expenses authorized by section 636
18 (g) (1) of such Act, which shall not exceed \$23,500,000
19 for the current fiscal year, and purchase of passenger motor
20 vehicles for replacement only for use outside the United
21 States: *Provided*, That none of the funds contained in this
22 paragraph shall be available for the purchase of new auto-
23 motive vehicles outside of the United States, \$1,170,000,000.

GENERAL PROVISIONS

SEC. 101. None of the funds herein appropriated (other than funds appropriated under the authorization for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per memorandum of the President dated May 15, 1962.

SEC. 102. Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

SEC. 103. Except for the appropriations entitled "Contingency fund", "Alliance for Progress, development loans", and "Development loans", not more than 20 per centum of any appropriation item made available by this title shall

1 be obligated and/or reserved during the last month of avail-
2 ability.

3 SEC. 104. None of the funds herein appropriated nor
4 any of the counterpart funds generated as a result of assist-
5 ance hereunder or any prior Act shall be used to pay pen-
6 sions, annuities, retirement pay or adjusted service compen-
7 sation for any persons heretofore or hereafter serving in the
8 armed forces of any recipient country.

9 SEC. 105. The Congress hereby reiterates its opposition
10 to the seating in the United Nations of the Communist
11 China regime as the representative of China, and it is hereby
12 declared to be the continuing sense of the Congress that the
13 Communist regime in China has not demonstrated its will-
14 ingness to fulfill the obligations contained in the Charter of
15 the United Nations and should not be recognized to represent
16 China in the United Nations. In the event of the seating
17 of representatives of the Chinese Communist regime in the
18 Security Council or General Assembly of the United Nations
19 the President is requested to inform the Congress insofar
20 as is compatible with the requirements of national security,
21 of the implications of this action upon the foreign policy of
22 the United States and our foreign relationships, including
23 that created by membership in the United Nations, together
24 with any recommendations which he may have with respect
25 to the matter.

1 SEC. 106. It is the sense of Congress that any attempt
2 by foreign nations to create distinctions because of their race
3 or religion among American citizens in the granting of per-
4 sonal or commercial access or any other rights otherwise
5 available to United States citizens generally is repugnant to
6 our principles; and in all negotiations between the United
7 States and any foreign state arising as a result of funds
8 appropriated under this title these principles shall be applied
9 as the President may determine.

10 SEC. 107. (a) No assistance shall be furnished under
11 the Foreign Assistance Act of 1961, as amended, to any
12 country which sells, furnishes, or permits any ships under its
13 registry to carry to Cuba, so long as it is governed by the
14 Castro regime, in addition to those items contained on the
15 list maintained by the Administrator pursuant to title I of
16 the Mutual Defense Assistance Control Act of 1951, as
17 amended, any arms, ammunition, implements of war, atomic
18 energy materials, or any other articles, materials, or supplies
19 of primary strategic significance used in the production of
20 arms, ammunition, and implements of war or of strategic
21 significance to the conduct of war, including petroleum
22 products.

23 (b) No economic assistance shall be furnished under
24 the Foreign Assistance Act of 1961, as amended, to any
25 country which sells, furnishes, or permits any ships under its

1 registry to carry items of economic assistance to Cuba, so
2 long as it is governed by the Castro regime, unless the
3 President determines that the withholding of such assistance
4 would be contrary to the national interest and reports such
5 determination to the Foreign Relations and Appropriations
6 Committees of the Senate and the Foreign Affairs and Appro-
7 priations Committees of the House of Representatives. Re-
8 ports made pursuant to this subsection shall be published in
9 the Federal Register within seven days of submission to the
10 committees and shall contain a statement by the President
11 of the reasons for such determination.

12 SEC. 108. Any expenditure made from funds provided in
13 this title for procurement outside the United States of any
14 commodity in bulk and in excess of \$100,000 shall be reported
15 to the Committees on Appropriations of the Senate and the
16 House of Representatives at least twice annually: *Provided*,
17 That each such report shall state the reasons for which the
18 President determined, pursuant to criteria set forth in section
19 604 (a) of the Foreign Assistance Act of 1961, as amended,
20 that foreign procurement will not result in adverse effects
21 upon the economy of the United States or the industrial
22 mobilization base which outweigh the economic or other
23 advantages to United States of less costly procurement out-
24 side the United States.

25 SEC. 109. (a) No assistance shall be furnished to any

1 nation, whose government is based upon that theory of gov-
2 ernment known as communism under the Foreign Assistance
3 Act of 1961, as amended, for any arms, ammunition, imple-
4 ments of war, atomic energy materials, or any articles, ma-
5 terials, or supplies, such as petroleum, transportation mate-
6 rials of strategic value, and items of primary strategic
7 significance used in the production of arms, ammunition,
8 and implements of war, contained on the list maintained by
9 the Administrator pursuant to title I of the Mutual Defense
10 Assistance Control Act of 1951, as amended.

11 (b) No economic assistance shall be furnished to any
12 nation whose government is based upon that theory of gov-
13 ernment known as communism under the Foreign Assistance
14 Act of 1961, as amended (except section 214 (b)), unless
15 the President determines that the withholding of such assist-
16 ance would be contrary to the national interest and reports
17 such determination to the Foreign Affairs and Appropria-
18 tions Committees of the House of Representatives and For-
19 eign Relations and Appropriations Committees of the Senate.
20 Reports made pursuant to this subsection shall be published
21 in the Federal Register within seven days of submission to
22 the committees and shall contain a statement by the Presi-
23 dent of the reasons for such determination.

24 SEC. 110. None of the funds appropriated or made avail-

1 able pursuant to this Act for carrying out the Foreign As-
2 sistance Act of 1961, as amended, may be used for making
3 payments on any contract for procurement to which the
4 United States is a party entered into after the date of enact-
5 ment of this Act which does not contain a provision author-
6 izing the termination of such contract for the convenience of
7 the United States.

8 SEC. 111. None of the funds appropriated or made avail-
9 able by this or any predecessor Act for the years subsequent
10 to fiscal year 1962 for carrying out the Foreign Assistance
11 Act of 1961, as amended, may be used on or after 60 days
12 from the date of enactment of this Act to make payments
13 with respect to any contract for the performance of services
14 outside the United States by United States citizens unless the
15 President shall have promulgated regulations that provide
16 for the investigation of such citizens for loyalty and security
17 to the extent necessary to protect the security and other in-
18 terests of the United States: *Provided*, That such regulations
19 shall require that any such United States citizen who will
20 have access, in connection with the performance of such
21 services, to information or material classified for security
22 reasons shall be subject to such investigation as may other-
23 wise be provided by law and executive order.

24 SEC. 112. None of the funds appropriated or made avail-
25 able under this Act for carrying out the Foreign Assistance

1 Act of 1961, as amended, may be used to make payments
2 with respect to any capital project financed by loans or
3 grants from the United States where the United States has
4 not directly approved the terms of the contracts and the firms
5 to provide engineering, procurement, and construction serv-
6 ices on such projects.

7 SEC. 113. Of the funds appropriated or made available
8 pursuant to this Act not more than \$12,000,000 may be
9 used during the fiscal year ending June 30, 1966, in carrying
10 out section 241 of the Foreign Assistance Act of 1961, as
11 amended.

12 SEC. 114. None of the funds appropriated or made avail-
13 able pursuant to this Act for carrying out the Foreign Assist-
14 ance Act of 1961, as amended, may be used to pay in whole
15 or in part any assessments, arrearages or dues of any member
16 of the United Nations.

17 SEC. 115. None of the funds made available by this
18 Act for carrying out the Foreign Assistance Act of 1961,
19 as amended, may be obligated on or after April 30, 1964,
20 for financing, in whole or in part, the direct costs of any
21 contract for the construction of facilities and installations in
22 any underdeveloped country, unless the President shall, on
23 or before such date, have promulgated regulations designed
24 to assure, to the maximum extent consistent with the national
25 interest and the avoidance of excessive costs to the United

1 States, that none of the funds made available by this Act and
2 thereafter obligated shall be used to finance the direct costs
3 under such contracts for construction work performed by
4 persons other than qualified nationals of the recipient country
5 or qualified citizens of the United States: *Provided, however,*
6 That the President may waive the application of this amend-
7 ment if it is important to the national interest.

8 TITLE II—FOREIGN ASSISTANCE (OTHER)

9 FUNDS APPROPRIATED TO THE PRESIDENT

10 PEACE CORPS

11 For expenses necessary to enable the President to carry
12 out the provisions of the Peace Corps Act (75 Stat. 612), as
13 amended, including purchase of not to exceed five passenger
14 motor vehicles for use outside the United States, \$102,000,-
15 000, together with not to exceed \$12,100,000 of funds pre-
16 viously appropriated which are hereby continued available
17 for the fiscal year 1966, of which not to exceed \$24,100,000
18 shall be available for administrative expenses.

19 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

20 RYUKYU ISLANDS, ARMY

21 ADMINISTRATION

22 For expenses, not otherwise provided for, necessary to
23 meet the responsibilities and obligations of the United States
24 in connection with the government of the Ryukyu Islands,
25 as authorized by the Act of July 12, 1960 (74 Stat. 461).

1 as amended (76 Stat. 742) ; services as authorized by sec-
2 tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a) , of
3 individuals not to exceed ten in number; not to exceed
4 \$4,000 for contingencies for the High Commissioner, to be
5 expended in his discretion; hire of passenger motor vehicles
6 and aircraft; purchase of one passenger motor vehicle, for
7 replacement only; and construction, repair, and maintenance
8 of buildings, utilities, facilities, and appurtenances; \$14,-
9 733,000, of which not to exceed \$2,733,000 shall be avail-
10 able for administrative and information expenses: *Provided*,
11 That expenditures from this appropriation may be made out-
12 side continental United States when necessary to carry out
13 its purposes, without regard to sections 355 and 3648, Re-
14 vised Statutes, as amended, section 4774 (d) of title 10,
15 United States Code, civil service or classification laws, or
16 provisions of law prohibiting payment of any person not
17 a citizen of the United States: *Provided further*, That
18 funds appropriated hereunder may be used, insofar as
19 practicable, and under such rules and regulations as
20 may be prescribed by the Secretary of the Army to
21 pay ocean transportation charges from United States ports,
22 including territorial ports, to ports in the Ryukyus for the
23 movement of supplies donated to, or purchased by, United
24 States voluntary nonprofit relief agencies registered with and

1 recommended by the Advisory Committee on Voluntary
2 Foreign Aid or of relief packages consigned to individuals
3 residing in such areas: *Provided further*, That the President
4 may transfer to any other department or agency any func-
5 tion or functions provided for under this appropriation, and
6 there shall be transferred to any such department or agency,
7 without reimbursement and without regard to the appropria-
8 tion from which procured, such property as the Director of
9 the Bureau of the Budget shall determine to relate primarily
10 to any function or functions so transferred: *Provided further*,
11 That reimbursement shall be made to the applicable military
12 appropriation for the pay and allowances of any military
13 personnel performing services primarily for the purposes of
14 this appropriation.

15 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
16 ASSISTANCE TO REFUGEES IN THE UNITED STATES

17 For expenses necessary to carry out the provisions of
18 the Migration and Refugee Assistance Act of 1962 (Public
19 Law 87-510), relating to aid to refugees within the United
20 States, including hire of passenger motor vehicles, and serv-
21 ices as authorized by section 15 of the Act of August 2,
22 1946 (5 U.S.C. 55a), \$32,265,000.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide assistance to refugees, as authorized by law, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); allowances as authorized by the Overseas Differentials and Allowances Act (5 U.S.C. 3031-3039); hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); \$7,575,000, of which not to exceed \$7,050,000 shall remain available until December 31, 1966: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere: *Provided further*, That \$371,000 of the balances of prior year appropriations under this head shall remain available until December 31, 1965.

1 FUNDS APPROPRIATED TO THE PRESIDENT

2 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

3 For subscription to the Inter-American Development
4 Bank for the second installment on the increase in callable
5 capital stock and for the second installment of the United
6 States share in the increase in the resources of the Fund for
7 Special Operations of the Bank, \$455,880,000, to remain
8 available until expended.

9 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

10 ASSOCIATION

11 For payment of the first installment of the supplemen-
12 tary contributions of the United States to the International
13 Development Association, \$104,000,000, to remain available
14 until expended.

15 TITLE III—EXPORT-IMPORT BANK OF

16 WASHINGTON

17 The Export-Import Bank of Washington is hereby au-
18 thorized to make such expenditures within the limits of funds
19 and borrowing authority available to such corporation, and in
20 accord with law, and to make such contracts and commit-
21 ments without regard to fiscal year limitations as provided
22 by section 104 of the Government Corporation Control Act,
23 as amended, as may be necessary in carrying out the pro-
24 gram set forth in the budget for the current fiscal year for
25 such corporation, except as hereinafter provided.

LIMITATION ON OPERATING EXPENSES

Not to exceed \$1,186,120,000 (of which not to exceed \$900,000,000 shall be for long term project and equipment loans) shall be authorized during the current fiscal year for other than administrative expenses.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$4,052,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insur-

1 ance, and reinsurance, shall be considered as nonadministra-
2 tive expenses for the purposes hereof.

3 None of the funds made available because of the provi-
4 sions of this title shall be used by the Export-Import Bank
5 to either guarantee the payment of any obligation hereafter
6 incurred by any Communist country (as defined in section
7 620 (f) of the Foreign Assistance Act of 1961, as amended)
8 or any agency or national thereof, or in any other way to
9 participate in the extension of credit to any such country,
10 agency, or national, in connection with the purchase of any
11 product by such country, agency, or national, except when
12 the President determines that such guarantees would be in
13 the national interest and reports each such determination to
14 the House of Representatives and the Senate within 30 days
15 after such determination.

16 TITLE IV—GENERAL PROVISIONS

17 SEC. 401. No part of any appropriation contained in this
18 Act shall be used for publicity or propaganda purposes within
19 the United States not heretofore authorized by the Congress.

20 SEC. 402. None of the funds herein appropriated shall
21 be used for expenses of the Inspector General, Foreign As-
22 sistance, after the expiration of the thirty-five day period
23 which begins on the date the General Accounting Office or
24 any committee of the Congress, or any duly authorized sub-
25 committee thereof, charged with considering foreign assist-

1 ance legislation, appropriations, or expenditures, has deliv-
2 ered to the Office of the Inspector General, Foreign
3 Assistance, a written request that it be furnished any docu-
4 ment, paper, communication, audit, review, finding, recom-
5 mendation, report, or other material in the custody or control
6 of the Inspector General, Foreign Assistance, relating to any
7 review, inspection, or audit arranged for, directed, or con-
8 ducted by him, unless and until there has been furnished to
9 the General Accounting Office or to such committee or sub-
10 committee, as the case may be, (A) the document, paper,
11 communication, audit, review, finding, recommendation,
12 report, or other material so requested or (B) a certification
13 by the President, personally, that he has forbidden the fur-
14 nishing thereof pursuant to such request and his reason for
15 so doing.

16 This Act may be cited as the "Foreign Assistance and
17 Related Agencies Appropriation Act, 1966."

89TH CONGRESS
1ST Session

H. R. 10871

[Report No. 955]

A BILL

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

By Mr. PASSMAN

SEPTEMBER 2, 1965

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Sept. 9, 1965
For actions of Sept. 8, 1965
89th-1st; No. 165

CONTENTS

Agriculture.....7	Food reserve.....23	Poverty.....19
Appropriations.....11,13,21	Foreign aid.....9,11,31	Public works.....21
Committee.....30	Foreign trade.....25,29	Recreation.....3
Cotton.....1	FHA.....5	Research.....8,17
Electrification.....18,27	Insecticides.....16	Retirement.....2
Employment.....24	Lands.....15	Stockpiling.....12
Expenditures.....26	Livestock and meats.....20	Sugar.....22
Farm labor.....6,13,19,22	Loans.....5	Taxation.....28
Farm program.....1	National parks.....14	Transportation.....32
Fisheries.....16	Oceanography.....17	Urban affairs.....30
Food and fiber.....1,9,11	Pay.....2	Watersheds.....10
Food for peace.....4	Personnel.....2	Wheat.....25

HIGHLIGHTS: Sen. Talmadge submitted cotton amendment to farm bill. Sen. Javits submitted amendment to farm bill to establish commission on food and fiber policy. Sen. Symington commended FHA loan program in Mo.. Sens. Mondale and Nelson urged expansion of food for peace program. House passed foreign aid appropriation bill. House received from President proposed appropriations for Public Works and Economic Development Act.

SENATE

1. FARM PROGRAM. The farm bill, H. R. 9811, remained the unfinished business (pp. 22254, 22265). Sen. Mansfield stated that debate on the bill would begin today (Thurs.)(p. 22242). Sen. Talmadge submitted (for himself and Sens. Jordan, Russell, S. C., Sparkman, and Hill) a cotton amendment intended to be proposed to the bill, and an explanation of the amendment which would provide a four-year cotton program applicable to the 1966, 1967, 1968, and 1969 crops (pp. 22204-6). Sen. Javits submitted (for himself and Sens. Boggs and Tower) an amendment intended to be proposed to the bill to provide for the establishment of a Commission on United States Food and Fiber Policy (pp. 22206-7). Sens. Carlson and Bass submitted amendments intended to be

proposed to the bill (p. 22206).

2. PERSONNEL. By a vote of 73 to 10, passed with amendments H. R. 8469, to increase the annuities of retired Federal employees and to revise the method of determining cost-of-living increases in retirement annuities. pp. 22239, 22242-50, 22252-4
Sen. Lausche stated that "the proposal that the administration be given control in initiating pay raises for Federal employees is unsound, unreasonable, and should not be adopted." p. 22234
3. RECREATION. Passed as reported S. 897, to provide for the establishment of the St. Croix National Scenic Waterway, Minn. and Wisc. pp. 22192-6
4. FOOD FOR PEACE. Sens. Mondale and Nelson urged an increase in domestic food production as a means of expanding the food for peace program and inserted articles in support of their positions. pp. 22235-7
5. LOANS. Sen. Symington commended "the outstanding work being done by the Farmers Home Administration under the capable direction of J. Everett Jose" in Mo., and inserted a table comparing FHA loans made in Mo. in 1961 and 1965. p. 22227
6. FARM LABOR. Sen. Hart commended the successful recruitment of domestic workers to harvest the strawberry crop in the Upper Peninsula of Mich. p. 22276
7. AGRICULTURE. Sen. Mansfield and others commended the public service of Sen. Aiken, including his service to agriculture. pp. 22207-9
8. RESEARCH. Sen. Ribicoff inserted a statement by Sen. McClellan announcing the appointment of a special Subcommittee on Government Research, Government Operations Committee, to undertake a study of the operations of research and development programs of Federal agencies. pp. 22209-10
9. FOREIGN AID. Sen. Church urged that the U. S. suspend military and economic aid to India and Pakistan, and stated that "the problem of continued food shipments to these countries is more difficult to decide" and should be thoroughly studied. p. 22210
Sen. Church inserted an article reviewing accomplishments under the Alliance for Progress program. pp. 22210-11
10. WATERSHEDS. The Public Works Committee approved works for improvement on the following watersheds: Upper Choptank River, Del. and Md.; Little Raccoon Creek, Ind.; Timber Creek, Kans.; Tamarac River, Minn.; Quapaw Creek, Okla.; Rock Creek, Okla.; Duck Creek, Tex.; and Cherrystone, Va. p. 22233

HOUSE

11. FOREIGN AID APPROPRIATION BILL. Passed, by a vote of 239 to 143, with amendment this bill, H. R. 10871 (pp. 22291-341). Adopted an amendment by Rep. Rooney, N. Y., to bar aid to nations whose vessels trade with North Vietnam (p. 22334). Rejected an amendment by Rep. Thomson, Wisc., to prevent use of the funds "for research into the administrative organization or operation, or personnel practices, of the Agency for International Development" (pp. 22334-36). This bill includes items for technical cooperation and development grants; contributions to international organizations and programs including the U. N. world food program; Alliance for Progress; Peace Corps; and Department of the Army for aid to the Ryukyu Islands.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FACILITATING ADMISSION OF CERTAIN ALIENS

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H.J. Res. 504) to facilitate the admission into the United States of certain aliens, with amendments of the Senate thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments as follows:

Page 7, line 1, strike out all after "Narango," down to and including "States," in line 3 and insert: "citizens of the United States."

Page 8, strike out all after line 10 over to and including line 2 on page 9.

Page 9, line 3, strike out "24" and insert: "22".

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. CONTE. Mr. Speaker, reserving the right to object, can the gentleman tell us what these amendments are about?

Mr. FEIGHAN. This resolution is for the relief of adopted children who were beneficiaries of individual bills in the House.

The first amendment is technical. The adoptive parent is now a U.S. citizen.

The second amendment deletes the name of Mirjana Tomas who was the subject of H.R. 5011. Her application for suspension of deportation has been referred to the Congress.

The third amendment deletes the name of Maria Stella Pezzo Calafato who was the subject of H.R. 7290 by Mr. REID of New York. The beneficiary has married and is no longer eligible for the relief provided in the resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. GROSS. These bills were not on today's calendar; were they—that is the bills that the gentleman is now asking for concurrence in these amendments?

Mr. FEIGHAN. No, they were previously passed by the House.

Mr. GROSS. I thank the gentleman.

Mr. CONTE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit this afternoon during general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. BOW. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 266]

Adair	Griffiths	Pirnie
Andrews	Hanna	Poage
George W. Hawkins	Hawkins	Powell
Andrews, Glenn	Hébert	Reifel
Ashbrook	Hungate	Resnick
Baring	Jones, Mo.	Rhodes, Ariz.
Blatnik	Karth	Roncalio
Bolton	Kee	Rostenkowski
Bonner	Keith	Ryan
Brademas	Kornegay	Saylor
Bray	Lindsay	Sisk
Cameron	McClory	Thomas
Clayson, Del	MacGregor	Toll
Conyers	Martin, Ala.	Udall
Craley	Martin, Mass.	Willis
de la Garza	Mathias	Wilson,
Farnsley	May	Charles H.
Fuqua	Pepper	

The SPEAKER. On this rollcall 381 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1966

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 3 hours, one-half of that time to be controlled by the gentleman from Kansas [Mr. SHRIVER] and one-half to be controlled by myself.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, at the proper time I shall ask for recognition to make a point of order against consideration of the bill. I should like to be advised as to that time.

The SPEAKER. The Chair will say that if the unanimous-consent request is granted the gentleman may then assert whatever he wants to under the rules.

Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. GROSS. Mr. Speaker, I make the point of order against consideration of this bill on the ground that in adoption of the conference report by the Congress, and with the signature of the

President of the United States now a fact, and, therefore, the authorization bill is law, it includes a new section, section 649, which reads as follows:

Limitation on aggregate authority for use in the fiscal year 1966.

The SPEAKER. What is the number of that section?

Mr. GROSS. Section 649.

The SPEAKER. Of the authorization bill?

Mr. GROSS. Of the authorization bill, which reads as follows:

Notwithstanding any other provision of this act, the aggregate of the total amount authorized to be appropriated for use during the fiscal year 1966 for furnishing assistance and for administrative expenses under this act shall not exceed \$3,360 million.

Mr. Speaker, I call attention to the report, top of page 3, where it is clearly stated:

Funds available—fiscal year 1966 foreign assistance program.

That amounts to \$3,630,622,000.

Mr. Speaker, I submit that the limitation placed in the conference report clearly limits this bill to \$3,360 million.

The SPEAKER. What was the figure?

Mr. GROSS. The limitation contained in the conference report, which is now law, is \$3,360 million. The report accompanying this bill states clearly there is sought to be appropriated by this bill \$3,630,622,000.

The SPEAKER. The Chair understands that the gentleman from Iowa referred to section 649 of the authorization bill?

Mr. GROSS. Section 649 of the conference report—of the authorization bill.

The SPEAKER. The Chair wants to understand what the gentleman from Iowa says. The gentleman from Iowa referred to section 649 of the conference report?

Mr. GROSS. Yes.

The SPEAKER. Where does that appear in the conference report—what page?

Mr. GROSS. I do not have a copy of the conference report. I do have a copy of the CONGRESSIONAL RECORD. It appears on page 10 of the conference report near the bottom of the page, three paragraphs above the bottom of the page.

I would point out, Mr. Speaker, it was a new section.

The SPEAKER. That is part of section 303.

Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. PASSMAN. I do, Mr. Speaker.

Mr. Speaker, I should like to direct attention to the fact that the authorization bill limited new appropriations to \$3,360 million. We are only recommending new appropriations in the amount of \$3,285 million which is \$75 million below the amount authorized.

Under section 645 of the basic act, and I quote:

Unexpended balances: Funds made available pursuant to this Act, the Mutual Security Act of 1955, as amended, Public Law 86735, are hereby authorized to be continued available for the general purposes for which appropriated and may at any time be consolidated and in addition may be consoli-

dated with appropriations made available for the same general purposes under the authority of this Act.

Mr. Speaker, this is the basic legislation.

If I may make one further observation, Mr. Speaker, a good part of the section that the gentleman is referring to has to do with no-year funds anyway. The no-year funds in which the appropriation or unexpended balance is automatically carried forward would be \$120,978,000. We have moved on the premise that the original basic act authorized the continuation of the unexpended or unobligated funds from previous years.

Mr. GROSS. Mr. Speaker, may I be heard further briefly?

The SPEAKER. The Chair will hear the gentleman.

Mr. GROSS. Mr. Speaker, I would point out the new section inserted in the authorization bill which has been read, and I am sure the Speaker understands it thoroughly, makes no provision for new funds. It says explicitly, "not withstanding any other provision of this Act, the limitation is \$3,360 million."

The SPEAKER. The Chair is prepared to rule.

Without passing upon the question, that might arise later on, if it does, the Chair is of the opinion that the point of order should be made against the item or items in the appropriation bill which the gentleman from Iowa might claim to be in excess of the amount authorized by law, and not against the consideration of the bill itself.

The Chair overrules the point of order.

The question is on the motion.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10871, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Louisiana [Mr. PASSMAN] will be recognized for 1½ hours and the gentleman from Kansas [Mr. SHRIVER] will be recognized for 1½ hours.

The Chair recognizes the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, I yield myself whatever time I may consume.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. Mr. Chairman, I yield to the distinguished chairman of the Committee on Appropriations, the gentleman from Texas [Mr. MAHON].

Mr. MAHON. I thank my friend from Louisiana for yielding.

It is inevitable that in the course of this debate discussion will take place in regard to India and Pakistan. I thought it well at the outset of the discussion to mention this matter. I have been in touch with representatives of the executive branch, and as a result of those con-

versations, I should like to make the following statement:

The present conflict between India and Pakistan raises serious questions reaching far beyond the bill before us. We would all hope that the conflict will spread no further, that hostilities will cease, and that efforts to find a peaceful settlement will be successful. It is imperative that such a course be followed. Meanwhile, there is the question of what policy the U.S. Government should pursue.

The Secretary of State has assured me of the following:

First. The executive branch wholeheartedly supports the efforts of the Secretary General of the United Nations to effect a cease-fire and to achieve a peaceful settlement.

Second. The United States has suspended military aid shipments to both India and Pakistan, in keeping with its announced policy of full support for the efforts of the Security Council and of the Secretary General. The executive branch will consult fully with appropriate Members of the Congress about the situation in the subcontinent and the conditions under which military aid might be resumed.

Third. Pending the enactment of this bill, the administration has in general not been making new economic aid loans or grants to aid-receiving nations since the current fiscal year began, and this includes both India and Pakistan. Again the executive branch will consult with appropriate Members of the Congress on the situation in the subcontinent in connection with making new economic aid loans or grants.

I believe, under the circumstances that we should support the Secretary's position. It is too early to predict the course of events. We cannot overlook the possibility that the conflict may be enlarged by the participation of other countries. But we must hope for an early resolution of this tragic situation through the untiring efforts of the Secretary General. Given all the possibilities, it is plain that the alternative lines of action open to the United States should not at this time be foreclosed by legislative action on the pending bill. It is, therefore, vitally important to preserve our Government's freedom of action if it is to have a useful and constructive influence on the outcome. This is, above all, a time when we should give the President the necessary freedom of maneuver to protect the national interests and international peace.

I thank the gentleman from Louisiana.

Mr. PASSMAN. I thank the distinguished gentleman from Texas.

Is it not true that it will be many weeks before the legislation under consideration will become law, and if it should become necessary at some subsequent date, when it goes over to the other body, or in conference, adjustments can be made at that time? It would be somewhat premature to make adjustments at this time.

Mr. MAHON. I believe the gentleman is correct.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the majority leader.

Mr. ALBERT. I appreciate the fine statement made by the distinguished gentleman from Texas. Perhaps it would be in order to say at this time, in addition, at the present time we do not know what Red China might do. If they should get involved we may have to reconsider our position.

Mr. PASSMAN. I thank the distinguished majority leader.

Mr. Chairman, I have been a Member of this body for 19 years—a member of the Committee on Appropriations 17 years—a member of the Foreign Operations Subcommittee on Appropriations 13 years—and chairman of the Foreign Operations Subcommittee on Appropriations for 11 years.

Well do I realize that with privileges come responsibilities. Inasmuch as it is my privilege to handle the foreign aid bill this year, it will be my responsibility to defend it to the fullest extent of my ability.

May I say at the outset that I shall defend the bill as a representative of the majority of the subcommittee and full committee. These views are not necessarily my own.

I came to Congress believing that it was the prerogative and duty of the Congress to write legislation and the responsibility of the executive branch to administer the laws that we pass. I shall limit my discussion of the shift in responsibility to the foreign aid bill. As it would apply to the foreign aid bill, the executive is just about running both shows: legislative and executive.

I have contended for many years that you cannot help the administration in power, or improve the foreign aid program by resorting to claims of mythical needs and purely imaginary accomplishments. In presenting the bill to the Committee today, I shall use the information furnished to the committee by the department heads as will be found in the printed hearings.

I am constrained to say, Mr. Chairman, that since the committee could not bring out a "bare-bone" bill, the majority voted out a "bare-bone" report which is now available for your observation.

After consulting with the Parliamentarian, I am in position to assure you that if any Member should, by a slip of the tongue, refer to this bill as "bare-boned," he should have no fear of any threat from an irate taxpayer because congressional immunity would afford him full protection.

I intend to present the bill with the facts that are available. It should be perfectly obvious to those who know me best that I shall vote for the bill based upon the recommendations of the majority of the committee, but—repeating—such views are far from my own.

To those who would term me inconsistent, may I say that both branches of the Congress authorized the foreign aid bill for fiscal 1966; it was signed by the President; and a majority of the subcommittee and full Committee on Appropriations recommended the bill before

you. And, I am acting only as an agent for the committee.

May I say that this is one of the fattest foreign aid bills presented to the Congress in many years. This can be established with facts when you pull together the fragments for a total figure. Foreign assistance has been fragmented into different accounts, agencies, and international organizations.

It is not my purpose to indicate disrespect for the present AID Director, but may I say that upon investigation I find that since the foreign aid program came into being, it has had exactly the same number of directors as Tommy Manville had had wives. I know of no better way to focus attention on this ever-changing program.

Before getting into the actual discussion of the bill and its many ramifications, may I cite an incident in my life that prompts me to be cautious:

I was born and reared on the farm, the son of sharecroppers. My wonderful Christian mother was an avid chicken raiser. She had a fine barnyard with a picket fence around it so as to contain her chickens.

One spring an aunt gave my mama a fine Rhode Island rooster. It was a proud cock, and mama's flock liked him very much. Finally, one day the rooster was attracted to the cackling of a neighbor's flock, so over the fence he flew. From then on he could not be kept in his own barnyard, so my mother clipped his wings.

But, the rooster's desire to return to the neighbor's flock prompted him to continue trying to fly over the fence even with cropped wings. Finally, one day this fine rooster got his neck caught between two of the pickets of the fence and obviously we had rooster pie for supper—that would be dinner in Washington.

So, I will let that be a lesson to me. I have had my wings cropped, but I am not going to try to fly over the fence at this time. I am going to remain in the barnyard where I have been placed. I will listen to my own flock cackle—and I will do a bit of crowing—but I am not going to try to fly out of the yard. I do hope my wings will sprout again.

Thank you, my distinguished and able chairman, GEORGE MAHON, for permitting me to remain as chairman of the Foreign Operations Subcommittee on Appropriations. In my own way I shall endeavor to protect this body and the executive branch from the mythical claims for need of funds and imaginary accomplishments of the foreign aid program.

Mr. Chairman, my purpose is not to destroy foreign aid—but to help contain it. And, I have kept my criticism to a bareboned minimum.

May I suggest that the Members not read the hearings for this year and previous years too closely, because the information to be found therein is too revealing. Now, Mr. Chairman, may I get into the report and recapitulation of title I, title II, and title III.

SUMMARY OF THE BILL

Title No.	Title	Estimates	Recommended in bill for fiscal year 1966	Bill compared with estimates
I	Foreign assistance.....	\$3,459,470,000	\$3,285,000,000	—\$174,470,000
II	Foreign assistance (other).....	729,453,000	716,453,000	—13,000,000
III	Export-Import Bank (limitation).....	(1,190,172,000)	(1,190,172,000)	-----
	Total.....	4,188,923,000	4,001,453,000	—187,470,000

Mr. Chairman, the President's budget contained estimates of \$3,872,158,000 to finance the various programs contained in the bill. Subsequent amendments to the budget, contained in House Documents Nos. 127, 138, 150, and 197, provided for a net increase in the estimates of \$316,765,000.

A majority of the committee recommends the appropriation of \$4,001,453,000, which is \$187,470,000 below the amended budget estimates of \$4,188,923,000. Total aid fiscal 1966, \$5,191,625,000.

TITLE I—FOREIGN ASSISTANCE

The conference report on the bill, H.R. 7750, authorizing appropriations for the

foreign assistance program, contained specific amounts for each of the various programs which totaled \$3,457,670,000. Section 649 of the same conference report limited the total amount of funds that could be appropriated for use in fiscal year 1966 to not to exceed \$3,360 million and left to the judgment of the Executive to effect reductions that would bring the total of the various programs within the limitation. Subsequently, the Executive submitted the following recommendation as to which programs should absorb the unspecified reduction of \$96,670,000 made by the conference committee on the authorization bill:

Program	Budget estimate	Conference authorization bill	Revised estimate
Technical cooperation and development grants.....	\$219,000,000	\$210,000,000	\$202,355,000
Alliance for Progress: Development loans.....	495,125,000	505,125,000	470,125,000
Development loans.....	780,250,000	780,250,000	725,225,000

The following table compares the amount authorized with the amount recommended by a majority of the commit-

tee for the various items of the fiscal year 1966 foreign assistance program:

Program	Conference authorization bill (H.R. 7750)	Recommended in the bill	Bill compared with conference authorization bill
Economic assistance:			
Technical cooperation and development grants.....	\$210,000,000	\$202,355,000	—\$7,645,000
American schools and hospitals abroad.....	7,000,000	7,000,000	-----
International organizations and programs.....	144,755,000	144,755,000	-----
Supporting assistance.....	369,200,000	369,200,000	-----
Contingency fund, general.....	50,000,000	50,000,000	-----
Contingency fund, southeast Asia.....	89,000,000	89,000,000	-----
Alliance for Progress:			
Technical cooperation and development grants.....	75,000,000	75,000,000	-----
Development loans.....	505,125,000	445,125,000	—60,000,000
Development loans.....	780,250,000	675,225,000	—105,025,000
Administrative expenses, AID.....	54,240,000	54,240,000	-----
Administrative expenses, State.....	3,100,000	3,100,000	-----
Subtotal, economic assistance.....	2,287,670,000	2,115,000,000	—172,670,000
Military assistance.....	1,170,000,000	1,170,000,000	-----
Total.....	¹ 3,457,670,000	3,285,000,000	—172,670,000
Conference limitation.....	¹ (3,360,000,000)	(3,285,000,000)	(—75,000,000)

¹ Sec. 649 of authorization bill limited appropriations for fiscal year 1966 to not to exceed \$3,360,000,000.

FUNDS AVAILABLE

The table below is a comparison of the total funds estimated to be available to the program in fiscal year 1966,

based on the recommended appropriation of \$3,285,000,000, with the funds available in fiscal year 1965:

Funds available—Fiscal year 1966 foreign assistance program

Item	Fiscal year 1965	Fiscal year 1966
New appropriations.....	\$3,250,000,000	\$3,285,000,000
Carryover from prior-year appropriations.....	28,865,000	158,352,000
Reimbursements and receipts.....	8,533,000	32,100,000
Deobligations of prior-year obligations.....	289,897,000	155,170,000
Transfer from DOD appropriations (sec. 510).....	75,000,000	-----
Total, funds available.....	3,652,295,000	3,630,622,000

As the table above indicates, funds available in fiscal year 1966 are \$21,673,000 below the amount available for the same programs in fiscal year 1965:

<i>Technical cooperation and development grants</i>	
1965 appropriation.....	\$202,071,000
1966 estimate.....	219,000,000
1966 authorization.....	210,000,000
Recommended for 1966.....	202,355,000

Technical assistance is AID's primary instrument for the development of human resources and the strengthening of institutions—the core requirements for economic and social progress—and will be conducted in 48 countries and 6 regional or organizational programs. Technical assistance to the 20 Latin American countries and two regional programs are funded under the Alliance-for-Progress program discussed later. This type grant aid will be extended in such fields as education, agriculture, industry and transportation, health and sanitation, and public administration.

The budget program of \$240 million, to be financed by \$219 million in new

obligational authority and \$21 million in carryover and recoveries, on a regional basis, is as follows:

Region:	Fiscal year 1966 program
Near East and South Asia.....	\$46,400,000
Far East.....	43,000,000
Africa.....	92,000,000
Nonregional and research.....	58,600,000
Total.....	240,000,000

The committee recommends an appropriation of \$202,355,000, which is \$284,000 above the 1965 appropriation and \$7,645,000 below the authorization.

American schools and hospitals abroad

1965 appropriation.....	\$16,800,000
1966 estimate.....	7,000,000
1966 authorization.....	7,000,000
Recommended for 1966.....	7,000,000

This program is designed to provide limited financial support by the U.S. Government to American-sponsored schools and hospitals located in various countries abroad. The following table shows the details of the program during the past 2 years and the proposed program for fiscal year 1966:

Name and location of institution	Fiscal year 1964	Fiscal year 1965	Proposed, fiscal year 1966
214(a) program:			
1. American University of Beirut, Lebanon (including medical center).....	\$4,240,000	\$12,500,000	\$2,000,000
2. International College of Beirut, Lebanon.....	1,500,000	0	0
3. American Farm School, Thessaloniki, Greece.....	180,000	125,000	
4. Anatolia College, Thessaloniki, Greece.....	291,000	80,000	
5. Athens College, Greece.....	300,000	70,000	
6. Pierce College, Athens, Greece.....	921,000	125,000	
7. Robert College, Istanbul, Turkey.....	2,800,000	1,500,000	
8. American University in Cairo, Egypt.....	¹ 1,400,000	² 1,100,000	³ 1,200,000
9. Escuela Agricola Panamericana, Tegucigalpa, Honduras.....	470,000	250,000	
214(b) program:			
10. Admiral Bristol Hospital and Nursing School, Istanbul, Turkey.....	0	250,000	
11. Polish Children's Hospital, Krakow, Poland.....	⁴ 6,100,000	0	0
12. Seagraves Hospital and Nursing School, Burma.....	0	⁵ 30,000	
13. Project HOPE.....	1,600,000	1,500,000	1,500,000
Total.....	19,802,000	17,530,000	⁶ 7,000,000

¹ \$800,000 in foreign currency.

² In foreign currency.

³ \$1,100,000 foreign currency.

⁴ \$3,900,000 in U.S.-owned Polish zlotys.

⁵ Pending, to be made in foreign currency.

⁶ Total includes classified figures.

The committee recommends the appropriation of \$7 million, the budget estimate, for this program in fiscal year 1966. This is \$9,800,000 below the 1965 appropriation.

<i>International organizations and programs</i>	
1965 appropriation.....	\$134,272,400
1966 estimate.....	145,555,000
1966 authorization.....	144,755,000
Recommended for 1966.....	144,755,000

The budget proposed voluntary contributions to the following programs of the United Nations and three international programs:

	Fiscal year 1966 estimate
U.N. expanded program of technical assistance and Special Fund.....	\$65,000,000
U.N. technical and operational assistance to the Congo.....	5,000,000
U.N. Relief and Works Agency for Palestine refugees.....	16,000,000
U.N. Children's Fund.....	12,000,000

	Fiscal year 1966 estimate
U.N./Food and Agriculture Organization—World food program.....	\$2,000,000
International Atomic Energy Agency—Operational program.....	1,000,000
Indus Basin Development Fund.....	43,100,000
International Secretariat for Volunteer Service.....	120,000
World Health Organization—Medical research.....	100,000
U.N. peacekeeping: U.N. Emergency Force (Near East).....	835,000
U.N. Training and Research Institute.....	400,000
Total.....	145,555,000

The committee recommends the appropriation of \$144,755,000 to finance the voluntary contribution of the United States to the above noted organizations and programs. This is an increase of

\$10,482,600 above the appropriation for fiscal year 1965, but the same amount as the authorization for fiscal year 1966.

Supporting assistance

1965 appropriation.....	\$401,000,000
1966 estimate.....	449,200,000
1966 authorization.....	369,200,000
Recommended for 1966.....	369,200,000

Supporting assistance is economic assistance provided primarily to enable larger defense efforts to be undertaken in less-developed nations threatened by Communist expansion and to avert situations of dangerous instability in sensitive areas. In a few instances it is also provided to encourage independence of action in nations susceptible to Russian or Chinese Communist domination, to assure access to U.S. military bases, and in other ways to protect and advance immediate U.S. foreign policy interests.

The budget program of \$460,200,000 for supporting assistance—composed of \$449,200,000 in new obligational authority and \$11 million in recoveries—is for assistance to the following 13 countries and one regional program: Bolivia, Dominican Republic, Haiti, Trinidad and Tobago, Jordan, Yemen, Korea, Laos, Thailand, Vietnam, Congo (Leopoldville), Guinea, Rwanda, Africa regional.

An appropriation of \$369,200,000, the amount authorized, is recommended for fiscal year 1966, which is \$31,800,000 below the 1965 appropriation of \$401 million and \$80 million below the budget estimate.

Contingency fund, general

1965 appropriation.....	\$99,200,000
1966 estimate.....	50,000,000
1966 authorization.....	50,000,000
Recommended for 1966.....	50,000,000

The contingency fund is used to meet urgent assistance needs which are not foreseen or cannot be accurately estimated at the time of presentation of the program to the Congress.

The committee recommends the appropriation of the budget estimate of \$50 million for this purpose. This is \$49,200,000 less than the amount appropriated for fiscal year 1965.

Contingency fund, southeast Asia

1965 appropriation.....	
1966 estimate.....	
1966 authorization.....	\$89,000,000
Recommended for 1966.....	89,000,000

The conference report on the Foreign Assistance Act of 1965 authorized an appropriation of \$89 million for expanded programs of economic and social development in southeast Asia, rather than increasing the authorization for "Technical cooperation and development grants" by \$9 million and "Supporting Assistance" by \$80 million as requested by the President in House Document No. 197, dated June 3, 1965.

The committee recommends an appropriation of \$89 million for this purpose.

ALLIANCE FOR PROGRESS

The President's budget proposed a program of \$596,125,000 for the Alliance for Progress in fiscal year 1966, composed of the following items:

Appropriation	New obligation authority	Carryover and reimbursements and receipts	Deobligations of prior year obligations	Fiscal year 1966 program
Technical cooperation and development grants.....	\$85,000,000		\$3,000,000	\$88,000,000
Development loans.....	495,125,000	\$8,000,000	5,000,000	508,125,000
Total.....	580,125,000	8,000,000	8,000,000	596,125,000

The January budget did not anticipate any carryover of unobligated funds into fiscal year 1966. However, recent data submitted to the committee indicate that \$29,686,000 of fiscal year 1965 development loan funds and \$6,562,000 of technical cooperation funds will be available for carryover into the fiscal year 1966 Alliance for Progress program.

In addition to the above Alliance program, the budget also contained \$13,600,000 in the supporting assistance estimate and \$77,264,000 under the military assistance program estimate for Latin America.

Technical cooperation and development grants: The committee recommends an appropriation of \$75 million for this purpose, a reduction of \$10 million below the budget estimate and \$9,700,000 below the fiscal year 1965 appropriation.

Development loans: An appropriation of \$445,125,000 is recommended for development loans in the Latin America region for fiscal year 1966. This is \$50 million below the budget estimate of \$495,125,000 but an increase of \$20,125,000 above the appropriation for this purpose in fiscal year 1965.

Development loans

1965 appropriation.....	\$773,727,600
1966 estimate.....	780,250,000
Recommended for 1966.....	675,225,000

The January budget proposed a development lending program, exclusive of the Latin American area, of \$840,250,000, composed of the following items:

Fiscal year 1966 program

New obligation authority.....	\$780,250,000
Loan receipts.....	20,000,000
Deobligations of prior year obligations.....	40,000,000
Total.....	840,250,000

On a regional basis, the January budget proposed the following development lending program:

Fiscal year 1966 program

Near East and South Asia.....	\$690,000,000
Far East.....	50,000,000
Africa.....	100,000,000
Nonregional.....	250,000
Total.....	840,250,000

As in the case of Alliance for Progress development loan appropriation above, the January budget did not contemplate any carryover of unobligated funds from this appropriation into fiscal year 1966. However, recent data indicate that \$91,292,000 was unobligated on June 30 and has been carried over into fiscal year 1966.

The committee recommends the appropriation of \$675,225,000 for this purpose in fiscal year 1966, which is \$105,025,000 below the estimate and

\$98,502,600 below the fiscal year 1965 appropriation.

Administrative expenses, AID

1965 appropriation.....	\$53,600,000
1966 estimate.....	55,240,000
1966 authorization.....	54,240,000
Recommended for 1966.....	54,240,000

An appropriation of \$54,240,000 is recommended for administrative expenses of the Agency. This is an increase of \$640,000 above the appropriation for fiscal year 1965.

Administrative expenses, State

1965 appropriation.....	\$3,029,000
1966 estimate.....	3,100,000
Recommended for 1966.....	3,100,000

The committee recommends an appropriation of \$3,100,000 for the following purposes in fiscal year 1966:

Program	Fiscal year 1966 estimate	Recommended
U.S. Missions to NATO and OECD.....	\$2,146,000	\$2,146,000
Battle Act program.....	954,000	954,000
Total.....	3,100,000	3,100,000

Military assistance

1965 appropriation.....	\$1,055,000,000
1966 estimate.....	1,170,000,000
1966 authorization.....	1,170,000,000
Recommended for 1966.....	1,170,000,000

The military assistance program provides equipment and training for defense on either a grant or credit assistance basis to help safeguard the independence of nations resisting Communist encroachment and to strengthen alliance and other security arrangements without which U.S. interests would be seriously impaired.

The detail of the fiscal year 1966 program compared with the fiscal year 1965 program follows:

Funds available—MAP

Item	Fiscal year 1965 program	Fiscal year 1966 estimate
New obligation authority.....	\$1,055,000,000	\$1,170,000,000
Reappropriation of unobligated balances.....	965,000	10,000,000
Recoupments.....	139,550,000	78,000,000
Transfer from economic assistance appropriations.....	55,000,000	
Use of Section 510 contract authority.....	75,000,000	
Total funds available.....	1,325,515,000	1,258,000,000

The committee recommends the appropriation of the budget estimate of \$1,170 million for this program in fiscal year 1966. The recommended amount is \$115 million above the appropriation for fiscal year 1965 but as the funds available table above indicates the fiscal

year 1966 program as presently proposed will be \$67,515,000 less than the fiscal year 1965 program despite the recommended increase of \$115 million in new obligation authority.

The table below indicates the 40 countries for which a grant materiel program is planned and the 14 additional countries for which a training program only is contemplated:

	Fiscal year 1966		Amount
	Proposed program for (40)	Training only for (14)	
Forward defense:			
China, Republic of.....	X		
Greece.....	X		
India.....	X		
Iran.....	X		
Korea.....	X		
Laos.....	X		
Pakistan.....	X		
Philippines.....	X		
Thailand.....	X		
Turkey.....	X		
Vietnam.....	X		
Total, forward defense.....			\$905,023,000
Alliance for Progress security:			
Argentina.....	X		
Bolivia.....	X		
Brazil.....	X		
Chile.....	X		
Colombia.....	X		
Costa Rica.....	X		
Dominican Republic.....	X		
Ecuador.....	X		
El Salvador.....	X		
Guatemala.....	X		
Honduras.....	X		
Mexico.....		X	
Nicaragua.....	X		
Panama.....	X		
Paraguay.....	X		
Peru.....	X		
Uruguay.....	X		
Venezuela.....		X	
Total, Alliance for Progress.....			77,264,000
Military base:			
Ethiopia.....	X		
Libya.....	X		
Portugal.....	X		
Spain.....	X		
Total, military base.....			38,855,000
Grant aid phaseout:			
Denmark.....	X	X	
Japan.....			
Norway.....	X		
Total grant aid phaseout.....			39,208,000
Free world orientation:			
Afghanistan.....		X	
Congo.....	X	X	
Iraq.....		X	
Jordan.....	X	X	
Lebanon.....		X	
Liberia.....	X		
Malaysia.....		X	
Mali.....	X		
Morocco.....		X	
Nepal.....	X		
Nigeria.....		X	
Saudi Arabia.....		X	
Senegal.....	X		
Syria.....		X	
Tunisia.....		X	
Yemen.....		X	
Country A.....	X		
Country B.....		X	
Total, free world orientation.....			16,869,000

	Fiscal year 1966		Amount
	Proposed program for (40)	Training only for (14)	
U.S. Forces support and MAP administration:			
Infrastructure			\$70,000,000
International Military Headquarters			19,080,000
Regional costs			18,201,000
Program administration			23,500,000
Credit assistance			50,000,000
Total			180,781,000
Total obligatory authority			1,258,000,000
Less: Reappropriations, recoupments, and transfers			-88,000,000
Total			1,170,000,000

TITLE II—FOREIGN ASSISTANCE (OTHER)

Peace Corps

1965 appropriation	\$87,100,000
1966 estimate	115,000,000
Recommended for 1966	102,000,000

¹Plus the reappropriation of \$17,000,000 of unobligated funds remaining available on June 30, 1964.

²Plus the reappropriation of \$12,100,000 of unobligated funds remaining available on June 30, 1965.

The amended budget proposed an appropriation of \$115 million to finance an estimated Peace Corps strength of 15,110 volunteers and trainees during the program year ending August 31, 1966, compared to an estimated 13,710 on August 31, 1965.

Testimony indicated that the unobligated balance of funds on June 30, 1965, was estimated to be \$12,100,000. Therefore, the committee recommends an appropriation of \$102 million plus the reappropriation of \$12,100,000 of unobligated funds to provide a total of \$114,100,000 for the operation of the Peace Corps in fiscal year 1966.

The following table shows the number of volunteers and trainees by country as of May 31, 1965:

Volunteers and trainees (as of May 31, 1965)

Africa:	
Cameroon	103
Ethiopia	569
Gabon	35
Ghana	115
Guinea	104
Ivory Coast	55
Kenya	134
Liberia	346
Malawi	231
Niger	43
Nigeria	649
Senegal	58
Sierra Leone	150
Somali Republic	58
Tanzania	325
Togo	57
Uganda	37
Total, Africa	3,069

Latin America:	
Bolivia	259
Brazil	550
British Honduras	47
Chile	309
Colombia	609
Costa Rica	87

Volunteers and trainees (as of May 31, 1965)—Continued

Latin America—Continued	
Dominican Republic	139
Ecuador	336
El Salvador	75
Guatemala	116
Honduras	107
Jamaica	82
Panama	132
Peru	428
St. Lucia	13
Uruguay	19
Venezuela	269
Total, Latin America	3,577
North Africa, Near East, and south Asia:	
Afghanistan	137
India	427
Iran	133
Morocco	164
Nepal	150
Pakistan	135
Tunisia	337
Turkey	337
Total, North Africa, Near East, and South Asia	1,640

Far East:	
Malaysia	384
Philippines	326
Thailand	264
Total, Far East	974

Grand total	9,260
-------------	-------

Plus:	
PCT's entering June 1 to Aug. 31	6,962
Completions of service and terminations, June 1 to Aug. 31	-2,512

On board Aug. 31, 1965	13,710
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS	
<i>Ryukyu Islands—Army</i>	
1965 appropriation	\$14,441,000
1966 estimate	14,733,000
Recommended for 1966	14,733,000

The proposed program for administration of the Ryukyu Islands by the Department of the Army in fiscal year 1966 is as follows:

	<i>Estimate, fiscal year 1966</i>
Administrative activities	\$2,733,000
Pay of personnel	2,288,000
Travel of civilian employees	125,000
Information materials and services	150,000
Operating expenses	170,000
Aid to Ryukyuan economy	12,000,000

Reimbursement for Government services	1,200,000
Contribution to Government projects	9,260,000
Transportation of commodities	5,000
Technical education and training	815,000
Technical cooperation	720,000
Total	14,733,000

The committee recommends the appropriation of the budget estimate of \$14,733,000 to finance the program noted above in fiscal year 1966, an increase of \$292,000 above the fiscal year 1965 appropriation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE	
<i>Assistance to refugees in the United States</i>	
1965 appropriation	\$32,211,000
1966 estimate	32,265,000
Recommended for 1966	32,265,000

This program is designed to provide assistance to refugees who have fled from Communist Cuba and sought refuge in the United States—primarily in the Miami, Fla., area.

The budget program for fiscal year 1966 is as follows:

	<i>1966 estimate</i>
I. Direction and coordination of program	\$883,000
II. Welfare assistance and services:	
Financial assistance to needy refugees in the Miami area	8,272,000
Transitional resettlement allowances	200,000
Assistance to resettled refugees who become needy	5,101,000
Unaccompanied children	3,800,000
Distribution of surplus commodities	60,000
Hospitalization	1,038,000
State administration of program	1,146,000
Total welfare assistance and services	19,617,000

III. Resettlement and employment opportunities	1,690,000
--	-----------

IV. Education:	
Assistance to Dade County public schools	4,156,000
Vocational training for youth and adults	1,385,000
Assistance to college students	3,200,000
Professional training and placement	400,000
Total education	9,141,000

V. Health services:	
Refugee health clinic	588,000
Outpatient services	120,000
Maternal and child health and school health	100,000
Hospitalization for long-term illness	126,000
Total health services	934,000
Total	32,265,000

Appropriations for this program have declined from the fiscal year 1963 appropriation of \$70,110,000 to the recommended appropriation for fiscal year 1966 of \$32,265,000, the amount of the budget estimate.

DEPARTMENT OF STATE	
<i>Migration and refugee assistance</i>	
1965 appropriation	\$8,200,000
1966 estimate	7,575,000
Recommended for 1966	7,575,000

The budget estimate of \$7,575,000 was proposed to finance the following activities of this refugee program in fiscal year 1966:

	<i>1966 estimate</i>
Contributions to Intergovernmental Committee for European Migration	\$4,750
Contributions to program of United Nations High Commissioner for Refugees	600
Refugees from European Communist countries	900
Refugees from Communist China	600
Tibetan refugees	200
Administration	525
Total	7,575

To finance this program in fiscal year 1966 the committee recommends the appropriation of \$7,575,000, the amount of the estimate.

In addition, the committee has included language in the bill which will continue available until December 31, 1965, \$371,000 of prior year appropriations. This action is necessary in view of a GAO opinion questioning the validity of obligations in the amount of \$740,000 established against appropriations for the fiscal years 1963 and 1964 respecting four contracts entered into by the Department of State with two voluntary refugee organizations and the American Red Cross. The original amount in question subsequently has been reduced, consistent with the GAO opinion, to \$520,943, and further savings in the program will reduce the requirement for reappropriation to \$371,000, the amount recommended in the bill.

Also, to prevent a further recurrence of this problem and to provide for better fiscal management of the program, the committee has included language in the bill to make all program funds, except administrative expenses, available on a calendar year basis.

Inter-American Development Bank

1965 appropriation..... \$455,880,000
1966 estimate..... 455,880,000
Recommended for 1966..... 455,880,000

The \$455,880,000 estimate recommended by the committee is composed of two elements:

First, \$205,880,000 represents one-half of the U.S. share of the increased callable capital stock of the Bank, which is authorized by Public Law 88-259. An identical appropriation was approved by the Congress in the fiscal year 1965 Foreign Assistance Appropriation Act. The testimony last year and again this year indicated that it is highly unlikely that the total appropriation of \$411,760,000 will be paid out as an actual cash expenditure of the U.S. Treasury.

Second, \$250 million represents the second installment of the U.S. share in the increase in the resources of the fund for special operations of the Bank. Public Law 89-6, approved March 24, 1965, authorized a total contribution of \$750 million for this purpose. The first installment of \$250 million was contained in the Second Supplemental Appropriation Act for 1965, approved April 30, 1965.

International Development Association

1965 appropriation..... \$61,656,000
1966 estimate..... 104,000,000
Recommended for 1966..... 104,000,000

The committee recommends the appropriation of \$104 million, the budget estimate, as the first installment of a total supplementary contribution of \$312 million to the resources of the International Development Association, as authorized by Public Law 88-310.

To date, the Congress has appropriated a total of \$320,290,700 to the Association which makes soft-term loans for development assistance purposes. This recommended appropriation plus the two additional appropriations of \$104 million in fiscal years 1967 and 1968 will make a total U.S. contribution of \$632,290,700 to the Association.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating and administrative expenses: The budget proposed an operating expense budget of \$1,186,120,000 and an administrative expense

budget of \$4,052,000. The committee has approved the budget estimate for both purposes and has again included limitations in the accompanying bill to that effect.

Foreign assistance appropriations bill, 1966

TITLE I

Program	Authorization	Recommended in bill	Reduction
Economic assistance:			
Technical cooperation and development grants.....	\$210,000,000	\$202,355,000	—\$7,645,000
American schools and hospitals abroad.....	7,000,000	7,000,000	-----
International organizations and programs.....	144,755,000	144,755,000	-----
Supporting assistance.....	369,200,000	369,200,000	-----
Contingency fund, general.....	50,000,000	50,000,000	-----
Contingency fund, southeast Asia.....	89,000,000	89,000,000	-----
Alliance for Progress:			
Technical cooperation and development grants.....	75,000,000	75,000,000	-----
Development loans.....	505,125,000	445,125,000	—60,000,000
Development loans.....	780,200,000	675,225,000	—105,025,000
Administrative expenses, AID.....	54,240,000	54,240,000	-----
Administrative expenses, State.....	3,100,000	3,100,000	-----
Subtotal, economic assistance.....	2,287,670,000	2,115,000,000	—172,670,000
Military assistance.....	1,170,000,000	1,170,000,000	-----
Total.....	3,457,670,000	3,285,000,000	—172,670,000

TITLE II

Foreign assistance (other):			
Peace Corps.....	\$115,000,000	\$102,000,000	—\$13,000,000
Ryukyu Islands, Army, administration.....	14,733,000	14,733,000	-----
Assistance to refugees in the United States.....	32,265,000	32,265,000	-----
Migration and refugee assistance.....	7,575,000	7,575,000	-----
Investment in Inter-American Development Bank.....	455,880,000	455,880,000	-----
Subscription to the International Development Association.....	104,000,000	104,000,000	-----
Total, title II, foreign assistance (other).....	729,453,000	716,453,000	—13,000,000

TITLE III

Export-Import Bank:			
Long-term loans.....	\$900,000,000	\$900,000,000	-----
Other loans, guarantees, insurance, etc.....	286,120,000	286,120,000	-----
Total, limitation on operating expenses.....	1,186,120,000	1,186,120,000	-----
Limitation on administrative expenses.....	4,052,000	4,052,000	-----
Total, title III.....	1,190,172,000	1,190,172,000	-----
Grand total, foreign aid for fiscal 1966.....	5,377,295,000	5,191,625,000	—\$185,670,000

FISCAL 1965 BILL

First. Subcommittee recommended \$3,316 million.

Second. Senate reduced it to \$3,250 million.

Third. Amount obligated out of 1965 appropriation: \$3,091,648,000.

Fourth. Unobligated funds fiscal 1965: \$158,352,000.

GENERAL STATEMENT

Many are concerned as to the apparent lack of knowledge on the part of the taxpayer about the magnitude of our total foreign assistance program. The dollar figure most widely quoted is \$3.4 billion. However, the RECORD shows that the President is requesting during this session of the Congress approximately \$7.5 billion for foreign assistance purposes. The table below indicates the various foreign assistance programs contained in the President's amended January budget:

New foreign aid funds requested so far in 1965

Foreign assistance requests, as amended (mutual security)..... \$3,459,470,000

New foreign aid funds requested so far in 1965—Continued

Receipts and recoveries from previous credits.....	\$209,770,000
Military Assistance Advisory Group.....	76,000,000
Export-Import Bank (long-term credits).....	900,000,000
Public Law 480 (agricultural commodities).....	1,658,000,000
Inter-American Development Bank (Latin America).....	705,880,000
International Development Association (IDA).....	104,000,000
Peace Corps.....	115,000,000
Contributions to international organizations.....	96,953,000
Permanent construction overseas (military).....	85,986,000
Educational (foreign and other students).....	69,200,000
Ryukyu Islands.....	14,733,000
Migrants and refugees.....	7,575,000
Atomic Energy Commission (overseas).....	5,900,000
Inter-American Highway (Latin America).....	4,000,000

Total new foreign aid requests, first 6 months of 1965..... 7,512,467,000

The unexpended balance as of June 30, 1965, for the above-named programs or activities is estimated to be \$10,605,738,000.

New foreign aid funds requested so far in 1965

	<i>In thousands</i>
Foreign assistance requests, as amended (mutual security)---	\$3,459,470
Receipts and recoveries from previous credits-----	209,770
Military Assistance Advisory Group-----	76,000
Export-Import Bank (long-term credits)-----	900,000
Public Law 480 (agricultural commodities)-----	1,658,000
Inter-American Development Bank (Latin America)-----	705,880
International Development Association (IDA)-----	104,000
Peace Corps-----	115,000
Contributions to international organizations-----	96,953
Permanent construction overseas (military)-----	85,986
Educational (foreign and other students)-----	69,200
Ryukyu Islands-----	14,733
Migrants and refugees-----	7,575
Atomic Energy Commission (overseas)-----	5,900
Inter-American Highway (Latin America)-----	4,000

Total new foreign aid requests, first 6 months of 1965----- 7,512,467

As of June 30, 1965, the estimated unexpended balance for the 15 items listed above was \$10,605,738,000. This year's authority and previous unliquidated funds will make available for future disbursement an amount in excess of \$18 billion.

Now, Mr. Chairman, let us discuss the request for foreign aid for fiscal 1966. There are three titles to this bill. Of course, foreign aid is scattered throughout 15 bills presented to the Congress, but at this time I shall discuss only the 3 titles in the bill it is my privilege to present to you today. In the press, over the radio and TV, and in the Halls of Congress we hear only about title I of the foreign aid bill, but the other titles are just as much foreign aid and it is the same type of dollars that you find in title I.

Now, the committee is recommending new appropriations in the amount of \$3,285 million in title I. They are recommending \$716,453,000 in title II. They are recommending \$1,186,120,000 in title III. So the total foreign aid, as I interpret foreign aid, in the bill before you is in reality \$5,191,625,000.

Now, in title I you find technical cooperation and development grants, and American schools and hospitals abroad. We have made no reduction there. International organizations and programs, \$144,755,000. The committee made no reduction there. Supporting assistance, \$369,200,000. The committee recommended no reduction there.

Contingency fund, general, \$50 million. The committee recommended no reduction there.

Contingency fund, southeast Asia, \$89 million. The committee recommended no reduction there.

Alliance for Progress, technical cooperation and development grants, \$75 million. The committee made no recommendation for reduction there.

Alliance for Progress, development loans, \$505,125,000. The authorizing committee and the Appropriations Committee made the staggering reduction of \$60 million.

Development loans, \$780,250,000. Again the committee made the fantastic reduction of \$105,025,000.

Administrative expenses for AID, State Department, no changes.

Military assistance, \$1,170 million: The committee made no recommendations for any reduction there.

Now we move into title II. We have the Peace Corps, \$115 million. The committee made no recommendations for reduction there. I think it is only fair to the great Director of that corps that we point out his record, for the benefit of the Members of Congress. I am quite envious of this gentleman. If he should go to Alaska to open a refrigerator plant, I would buy stock in it, because I think he would do a land office business, if he had the same kind of success selling refrigerators in Alaska as he has had in selling Members of Congress on the Peace Corps.

This outfit started about 4 years ago. Mr. Shriver has adopted a rather unusual technique, and it has worked out beautifully. I should like to give him credit for the record he has made. He goes down to the Budget Bureau and puts up a good argument for the Peace Corps. A request for \$125 million is included in the budget. Then about 2 weeks before hearings begin he notifies the budget that he needs \$10 million less than the original estimate. So he amends his budget request and he saves money even before the bill gets to the Congress. He comes down to the Congress and the Congress automatically gives him just about every dime he asks for.

Then when he completes the year, he points out another savings. He says we are turning back some \$13 million. He adds that up as a saving. If those are real savings, including the reduction of the budget before it even gets to the Congress, then I think we need him to help balance the budget.

As I say, I am just a little envious of his brilliant salesmanship.

Nevertheless, again this year, in my opinion, we are overfunding the Peace Corps. We are giving them all the money they have asked for. After he has supplemented his request to the budget, we supplement it again. Then he says we can take out another \$900,000, and there is, as you know, a carryover of \$13 million from previous years. We took that off this year's request. So, even though we show that we made a reduction, it is not really a reduction.

Now we get the Ryukyu Islands. Certainly we realize the importance of Okinawa and the islands. We are making no mention in this bill about any expenditures that we make as actual aid to the Ryukyans, including the expense of the High Commissioner. This little item

is only \$14,733,000. I think it is a good program. I recommended it and the committee supported it. Let us not involve it with any military installations and expenditures there. These are AID programs, the dole system, including the administrative expenses for the High Commissioner's Office.

Then we have assistance to refugees in the United States. The 1966 estimate is \$32,265,000. We have made no reductions there.

The next item is migration and refugee assistance. There is no reduction there.

For the Inter-American Development Bank, \$455,880,000.

There is no reduction made in that estimate.

May I call attention to the fact that in April this year we passed an authorization for an additional \$250 million. Then we pushed through a supplemental of \$250 million, just before the curtain fell on the end of the fiscal year 1965. The appropriation of the supplemental of \$250 million was approved by the House in April. So that money is on hand undisbursed. Make no mistake about that. So that, in reality, we should point out that there is a total of \$705 million, but inasmuch as the additional money was approved in a supplemental, we leave that out.

Now we come to the International Development Association, \$104 million. Mr. Chairman, make no mistake about it, this is just as much foreign aid as your arm is a part of your body. Why the executive branch does not consolidate all these AID programs and level with us—and I really like to use that word, because they should level with us—and give us the total bill, I do not know. When you fragmentize it, you confuse the public and you confuse the taxpayer who is putting up this money.

Then we have these international organizations. Let us take first the International Development Association.

Here is a record on the United States and the other 93 member nations:

Mr. Chairman, we put up 41 percent of the funds and the other 93 members put up only 59 percent, some of them less than 1 percent of the total.

Those who may put up 5 or 6 percent recognize that the money goes to their former colonies where they have very profitable trade agreements.

Oh, Mr. Chairman, we have some people—downtown, especially—who say, "Oh, this is a great thing; old Uncle Sam puts up 41 percent and we get the other 93 members to put up 59 percent."

Mr. Chairman, if the members of the committee would read some of the debate in the parliaments overseas they will find that they say, "Well, of course, this money is going to our colonies—former colonies—where we had, and still have, very strong agreements. If we put up 6 percent, we can get the United States to put up 41 percent."

Mr. Chairman, the members of the committee should read some of the debate about how they figure it is to their advantage to put up 6 percent in order to get 41 percent out of us.

Why do we not call it foreign aid?

Mr. Chairman, you have a recommendation before the committee at this time, and it is in the bill, that you transfer as much as 15 percent of the development loan fund, under title I, over to the International Development Association. I know it has been taken out, but it was in the bill. That was recommended. So, to me, it is foreign aid.

Then, Mr. Chairman, this bill provides \$455,880,000 for the Inter-American Bank; \$250 million of this is an outright appropriation and the other \$205,800,000 is investment capital.

Mr. Chairman, we are told, and we have reason to believe, that we will never be called upon to write checks on this fund. Nevertheless, it is an appropriation.

In title III of this bill we recommend the amount of \$900 million for the Export-Import Bank for long-term loans. We believe this is a good agency. We have reason to believe that these loans will be paid back. Nevertheless, we should not forget that you are actually granting aid here.

Mr. Chairman, these loans are made for a period of up to 25 years. The average on this part of the Export-Import Bank's operations amount to \$900 million, and you have an additional \$286,120,000, making a total in the Export-Import Bank of \$1,190,172.

Now, Mr. Chairman, let us agree that it is a good organization. But let us set aside the \$900 million, inasmuch as the average length of time we give the recipients to pay the money back is 17 years and going up to 25 years.

Let us say it is good, but nevertheless it is aid. We are making these loans with which they can purchase our commodities. We hope the loans will be repaid. We would like to think so, anyway.

Last year, Mr. Chairman, there were some changes in the system by which we handled this bill. There were some new members on the committee, and, incidentally, we had a new chairman of the full committee—a very fine, cooperative, and very fair chairman—and it is a pleasure to serve under him. Nevertheless, he came onto the subcommittee as a new member. He had never had the opportunity to service on this subcommittee before. He came on unexpectedly and, of course, he had never gone into the ramifications of this program prior to this year. The subcommittee did not feel disposed to accept the figure I wished to recommend. I do not feel that my position needs any defense, but believing that the rules were such that I, as chairman of the subcommittee, would have to defend the bill in great detail and brag on it and vote for it, I voluntarily stepped aside. The committee recommended \$3,616 million. This bill went to the other body and the other body could not stand that large figure. They cut it back to \$2,350 million. Almost everyone thought that this represented a bare-bones bill, but at the close of the fiscal year they had \$158 million unobligated. They said they needed it, but they did not need it during the year for which it was appropriated—unobli-

gated, \$158 million. Therefore, they really obligated only \$3,091 million, which is \$8 million more than I had previously recommended.

Mr. Chairman, pardon me for crowing just a little bit about naming an amount so close to the actual needs of this organization.

Mr. Chairman, I am of the opinion that I should prove the point I made a moment ago about this bill and other foreign-aid bills which we have had before us.

Mr. Chairman, I may direct your attention to the year of 1955. This was the first year it was my privilege to chair the subcommittee. We appropriated only \$2.703 billion. The authorization called for a larger amount but we appropriated only \$2.703 billion for fiscal 1956. So the bill before you calls for almost \$600 million above the amount appropriated for fiscal 1956.

Again, for fiscal 1958, the Congress appropriated only \$2,768,760,000, over \$500 million below what is in the bill before you today.

For fiscal 1960, the Congress in its wisdom appropriated \$3,225,813,000. That year we cut this bill \$1,204,182,000 below the authorization, and still left it overfunded.

In 1964 your committee cut this bill \$1,525,325,000. We only appropriated new funds in the amount of \$3 billion. Moving to last year, \$3,250 million.

I want to give the committee full credit, because they did the work, and I got the credit. That is characteristic of a man when you give him a promotion. Your committee over a period of 10 years cut this bill by \$8,374,962,000, 19.96 percent, or approximately 20 percent. None of the reductions made during the entire 10-year period were offset by supplementals. The only additional appropriations made were, first, development credits, \$200 million; and second, financing the Bogota conference and Chilean relief, \$600 million.

Mr. Chairman, I do not mean this as criticism. I want to be constructive. I want to defend this bill, but I want to point out in no uncertain terms that these people do not actually know what they need. They reach up in the sky and pull down the figures used as estimates for needed funds.

Total mutual security program regular annual appropriations, economic and military assistance, 10 years

Fiscal year	Budget estimate	Appropriation	Reduction below estimate	Percentage below budget estimate
1956	\$3,266,641,750	\$2,703,341,750	—\$563,300,000	17.24
1957	4,859,975,000	3,766,570,000	—1,093,405,000	22.50
1958	3,386,860,000	2,768,760,000	—618,100,000	18.25
1959	3,950,092,500	3,298,092,500	—652,000,000	16.51
1960	4,429,995,000	3,225,813,000	—1,204,182,000	27.18
1961	4,275,000,000	3,716,350,000	—558,650,000	13.07
1962	4,775,500,000	3,914,600,000	—860,900,000	18.03
1963	4,961,300,000	3,928,900,000	—1,032,400,000	20.81
1964	4,525,325,000	3,000,000,000	—1,525,325,000	33.70
1965	3,516,700,000	3,250,000,000	—266,700,000	7.58
Total	41,947,389,250	33,572,427,250	—8,374,962,000	19.96

Now it has been said that in previous years the administration inflated their request so that the Congress could make its cuts and tell the people back home

During each of the past 10 years the administration in power has reacted with horror at the mention of any cut in the foreign aid budget, and predicted dire consequences to our Nation if the Congress should reduce the administration request. However, the budgets were cut. Even so, in every case the amount appropriated proved to be in excess of needs. The aggregate reduction during the past 10 years amounted to \$8,374,962,000, and we left the program overfunded, at that. After reducing the 10 budgets for 10 years by 20 percent the agency still had a staggering unobligated balance of \$3,084,100,000. The unobligated funds are itemized by year in the following table:

Unobligated funds 10 years	
In thousands	
June 30, 1956, unobligated funds—	\$401,400
June 30, 1957, unobligated funds—	814,400
June 30, 1958, unobligated funds—	88,400
June 30, 1959, unobligated funds—	94,400
June 30, 1960, unobligated funds—	127,000
June 30, 1961, unobligated funds—	758,000
June 30, 1962, unobligated funds—	163,400
June 30, 1963, unobligated funds—	419,100
June 30, 1964, unobligated funds—	59,600
June 30, 1965, unobligated funds—	158,400
Total amount unobligated 10 years—	3,084,100

Never before has there been as great an aggregate reduction in the appropriations, below estimates, for any program over a period of 10 years as for foreign aid. Even with these reductions, large amounts of unobligated funds were on hand at the end of each fiscal year during this period.

Call this criticism, if you will, but be sure you suggest that it is a constructive criticism. These people need to be protected against themselves. There are some who say that the authorization this year, and the budget request, are the lowest ever. This is an amazing statement. The authorization may be low, but this Committee is dealing with appropriations. We are not dealing with authorizations. And I should like to direct the attention of this Committee to the fact that four times during the past 10 years we have been able to reduce the authorization in excess of \$1 billion.

I shall insert this verified table in the RECORD.

what a great job they were doing. If they fooled you then, they will fool you now. Make no mistake about that.

Mr. Chairman, I do not want to consume too much time. We are only considering a \$5 billion request and there are a lot of other things I would rather do. Many are concerned about the apparent lack of knowledge of the taxpayer about the magnitude of our total foreign aid assistance. The dollar figure most widely used and which I just mentioned is \$3,400 million. In reality the total runs, if you put the 15 fragments together, to \$7,512,467.

I shall explain them briefly.

The foreign assistance request, as amended, using the previous authorization, is \$3,459,470,000.

The receipts and recoveries from previous credits amount to \$209,770,000.

Military assistance advisory group—that is MAAG and not the regular military amounts to \$76 million.

The Export-Import Bank—long-term credits—amount to \$900 million which does not include the amount I referred to earlier.

I am referring only to that part that can properly be interpreted as foreign aid. Public Law 480 is not our bill but it is foreign aid. We sold this program to the American people back during the Marshall plan to feed the starving people of Europe. Subsequently they got all fat, you understand, ladies and gentlemen, and they do not need any more food, but we keep giving them the same amount of money and have built up Public Law 480 agricultural commodities to the enormous figure of \$1,658 million. If it is not foreign aid, then I must be a pretty foolish individual.

The Inter-American Development Bank—Latin American—amounts to \$705,880,000.

The International Development Association—IDA—amounts to \$104 million. Certainly that is foreign aid.

The Peace Corps amounts to \$115 million which is just like any other aid program. Some of it is spent overseas and some of it is spent here.

Contributions to international organizations amount to \$96,953,000.

Permanent construction overseas—military—amounts to \$85,986,000.

And this is only peanuts compared to the overall military expenditures. Think of these beautiful runways. We have not found a way to roll them up and bring them home, and neither can we bring home the brick buildings and the steel hangars that make permanent improvements on foreign soil.

I think of these improvements as foreign aid. When you put "military" on it, the bristles rise, as you well know.

Education—foreign and other students—amounts to \$89,200,000.

The Ryukyu Islands that I mentioned a moment ago amounts to \$14,733,000 and has only to do with the office of the High Commissioner and nothing to do with the military whatsoever—aid programs for the administration of the Ryukyu Islands and administrative expenses of the High Commissioner.

Migrants and refugees amounts to \$7,575,000.

The Atomic Energy Commission overseas amounts to \$5,900,000.

The Inter-American Highway—Latin America—it may be a good program and maybe you can use it in a few years—that amounts to \$4 million. But it still is a foreign-aid program.

Now, Mr. Chairman, the unexpended balance as of June 30, 1965, for the above-named programs and activities is estimated to be \$10,605,738,000.

After we pass this bill, you will have in unexpended funds in the pipeline for the 15 agencies—the 15 bills—an amount in excess of \$18 billion. They say it is needed. We are taking their word on it.

In an endeavor to be helpful and so that the facts as I understand them may be in the Record, may I say that in my candid opinion no program in the history of mankind has had as many paid lobbyists as the foreign-aid program. It would take many, many pages, if not a book, to list all the names of individuals who are lobbying for or who are recipients of the program. Briefly stated, there are 66,867 individuals, including participants, on its payrolls. Our Government will be disbursing some type of foreign aid during fiscal year 1965 in 98 foreign countries. Would it not be in order to believe that foreign nationals or officials and foreign ambassadors from these 98 countries would be lobbying either directly or indirectly for foreign aid?

Inasmuch as universities, colleges, workshops, manufacturers, distributors, and others, are the recipients of funds appropriated for foreign aid, would they not be lobbying for it? Inasmuch as foreign aid is closely associated with the State Department, would it not be reasonable to expect that the State Department would use its powerful influence to lobby for foreign aid? Then does it not resolve itself around the fact that it is good for the country and for the program to have at least one outspoken critic who is willing to take whatever abuse may be heaped upon him to keep the program before the American people for what it is and not for what mythical claims are made as to its needs and what imaginary accomplishments are pointed out.

Mr. Chairman, before I conclude my remarks, I should like to point out the more serious part of the aid program. Each agency says, "Don't blame me. Some other agency is responsible. Go to them."

Each agency blames some other agency for the predicament in which we have gotten ourselves into with respect to our balance-of-payments situation and our gold reserve problems. Be that as it may, something brought about that situation. I am in a position to prove that no matter what the President or any other individual who has an open mind wishes to say about foreign aid—and I do not care what kind of statistics they produce—it can be established and proved beyond any doubt that it was foreign aid of some kind or other that got the American taxpayers into this mess.

Do Members realize that in the past 10 years our gold holdings have been re-

duced from \$23,252 million down to only \$13,859 million as of yesterday? Something brought that about.

Do Members realize that during those same years in which our gold reserves were reduced from \$23 billion down to \$13-plus billion, that those recipient countries accumulated dollars so far in excess of their needs that their holdings of dollars rose from \$10,540,100,000 in 1950 up to \$27,807 million on December 31, 1964?

All of us know that those are short term demands on our gold. Everyone of those recipient nations are foreign countries that, in most part, own those credits and therefore could demand our gold.

How about our balance-of-payments situation? We have had a deficit for 15 years—1950 to 1965, inclusive—of \$29,956 million. How did those people build up such tremendous debts against us? How did they build up those claims against us if it were not that we were giving them more aid, or they were accumulating more aid than they needed to deal in commerce?

MARCH 15, 1965.

To Whom It May Concern:

Gold holdings (free world countries)

	<i>In thousands</i>
U.S. gold holdings on Dec. 31, 1952.....	\$23,252,000
U.S. gold outflow to foreign countries, 1952 through 1964.....	-7,864,000

U.S. gold holdings on Dec. 31, 1964, reduced to.....	15,388,000
Gold holdings other countries, ¹ Dec. 31, 1962.....	13,028,000
Gold holdings increase other countries, 1952 through 1964.....	11,829,000

Gold holdings other countries, Dec. 31, 1964, increased to.....	24,857,000
---	------------

¹ Does not include Sino-Soviet bloc.

U.S. short-term dollar claims held by foreign countries (free world)

	<i>In thousands</i>
Foreign dollar holdings on Dec. 31, 1952.....	\$10,546,100
Increase in foreign dollar holdings 1952 through 1964.....	17,260,900

Foreign dollar holdings on Dec. 31, 1964, increased to.....	27,807,000
---	------------

U.S. balance-of-payments position

	<i>In thousands</i>
1950 net deficit.....	-\$1,912,000
1951 net deficit.....	-578,000
1952 net deficit.....	-1,100,000
1953 net deficit.....	-2,100,000
1954 net deficit.....	-1,500,000
1955 net deficit.....	-1,100,000
1956 net deficit.....	-1,000,000
1957 (only credit in 15 years).....	+500,000
1958 net deficit.....	-3,400,000
1959 net deficit.....	-3,700,000
1960 net deficit.....	-3,800,000
1961 net deficit.....	-2,400,000
1962 net deficit.....	-2,200,000
1963 net deficit.....	-2,660,000
1964 net deficit.....	-3,006,000

U.S. deficit, 1950 through 1964 inclusive.....	-29,956,000
--	-------------

Gross public debts

In thousands

U.S. public debt on Dec. 31,
1964----- \$318,463,000
Other free world countries
(latest available estimates)----- 232,628,000

U.S. debt exceeds debts
of other free world
countries by----- 85,835,000

U.S. debt exceeds all
other countries of
world by (estimate)--- 34,300,000

The above clearly indicates what the foreign aid program is doing to the U.S. gold reserves, balance-of-payments position and public debt. There was an operating deficit of \$8,266 million for the fiscal year that ended June 30, 1964.

Sincerely yours,

OTTO E. PASSMAN,

Chairman, Foreign Operations Subcom-
mittee on Appropriations.

While that was going on, perhaps it should be pointed out, that the U.S. Federal debt exceeded the combined public debt of all other nations of the world put together.

Let us hit where it hurts, so that we can help these wonderful people in the department to do a better job.

We are told, "Oh, no; it is not the AID agency; it is some other agency."

Then we go to that agency and we are told, "Oh, no; it is the other agency, not us."

Around they go; and it is pretty hard to pin down the responsibility.

I shall insert in the RECORD a table which illustrates that point. It is not fair to use 1 year as a criterion. This committee, some 7 or 8 years ago, pointed out the way we were fattening up the recipients of foreign aid around the world on dollars. We said that sooner or later they would have dollars in excess of needs, and that they would have dollars so far in excess of their needs that they would start to buy our gold.

The experts said, "Fear not. We shall bring this thing under control before that happens."

Now let us deal realistically with the figures. Let them hurt. I did not pick them out of the thin air.

From 1958 to 1964, inclusive, a period of 7 years, 57 countries receiving military and/or economic assistance during that period covered in the table purchased \$7,013,300,000 of our gold. In addition to the purchase of the \$7,013,300,000 of our gold stocks, 14 of the above listed countries purchased an additional \$769,100,000 of gold during the first quarter of the calendar year 1965. Data furnished to the committee by the Treasury Department covering most of the 57 countries listed in the preceding table indicates that those countries also increased short-term dollar holdings, official and private, from \$9,730 million on December 31, 1957 to \$14,541 million on December 31, 1964.

I shall insert the full table in the RECORD. I should like to move along rapidly, if I may.

GOLD OUTFLOW

The table below is an updating of the one included in the commerce report of last year and it reflects the gold pur-

chases of 57 countries who have received military and/or economic assistance during the 7-year period covered by the table.

Net sales of U.S. gold to foreign aid program recipients

[In millions —Negative figures represent net sales by the United States; positive figures represent net purchases]

Country	1958	1959	1960	1961	1962	1963	1964	Total
Algeria						-\$15.0		-\$15.0
Argentina	+\$67.2		-\$50.0	-\$90.0	+\$85.0	-30.0		-17.8
Austria	-34.2	-\$82.7	-1.1		-142.5	-32.1	-\$55.4	-398.0
Belgium	-329.4	-38.5	-140.9	-144.4	-63.0		-40.1	-756.3
Burina			-3.8		-20.9			-24.7
Cambodia			-12.0	-3.1	-1.7	+3.2		-13.6
Cameroon Republic						-1.9		-1.9
Central African Republic						-7		-7
Ceylon		-7.5						-7.5
Chad						-7		-7
Chile	+3.0	-1.3	-2.0	-6.6			-2.3	-9.2
Congo (Léopoldville)						-3.1	+1.6	-1.5
Costa Rica				-2.3	-5			-2.8
Cyprus				-2.0				-2.0
Dahomey						-8		-8
Denmark	-17.0	-15.0	-15.0	-35.0	+15.0			-67.0
Dominican Republic				-3.0			-2.6	-5.6
Ecuador					-3.2	-2.3		-5.5
Egypt			-7.5	-7.8	-1.2	-2.2	-10.8	-29.5
Country A		-4.7	-3.0				-5.0	-12.7
France		-265.7	-173.0		-459.1	-517.7	-405.1	-1,820.6
Gabon						-7		-7
Germany (West)			-33.8	-22.5			-225.0	-281.3
Ghana			-5.6					-5.6
Greece		-15.0	-47.0	-10.2	-19.1			-91.3
Guinea						-2.8		-2.8
Honduras			-8					-8
Indonesia		-11.0	-24.9					-35.9
Iran	-2.3		-4	-16.1		-5.9		-24.7
Iraq			-29.8					-29.8
Israel		-4.4			-10.0	-7.0	-2.0	-23.4
Italy	-348.8			+100.0			+200.0	-48.8
Ivory Coast					-1.5			-1.5
Japan	-30.1	-157.4	-15.2					-202.7
Korea		-1.6						-1.6
Laos				-1.9				-1.9
Lebanon				-21.0	-32.1		-10.5	-63.6
Mauritania						-8		-8
Mexico		-30.0	-20.0			-4.0		-54.0
Morocco			-21.0					-21.0
Netherlands	-260.9	-29.9	-249.4	-24.9			-60.0	-625.1
Niger						-8		-8
Nigeria				-20.0				-20.0
Pakistan			-12.5					-12.5
Peru			-15.0	-5.0	-6	-10.6		-31.2
Portugal	-20.0	-10.0						-31.0
Salvador							-2.2	-2.2
Saudi Arabia			-11.3	-47.5	-12.6			-71.4
Senegal						-1.7		-1.7
Somalia					-1.9			-1.9
Spain	+31.7		-113.7	-156.2	-146.1	-130.0	-32.0	-546.3
Syria			-2.1		-1.3	-4	-3.1	-6.9
Tunisia			-5		-5	-5		-15.5
Turkey			-6.1	-2.5	-1.1	+2.0	+1.3	-6.4
United Kingdom	-900.0	-350.0	-550.0	-305.7	-387.0	+329.3	+617.7	-1,545.7
Upper Volta						-8		-8
Yugoslavia		-1.5	-15.9		-1.5	-1.9	-2.5	-23.3
Net sales of gold	-1,890.8	-1,026.2	-1,583.3	-827.7	-1,207.4	-439.9	-38.0	-7,013.3

In addition to the purchase of \$7,013,300,000 of U.S. gold stocks, 14 of the above-listed countries purchased an additional \$769,100,000 of our gold during the first quarter of calendar year 1965.

Data furnished to the committee by the Treasury Department covering most of the 57 countries listed in the table above indicates that these countries also increased their short-term dollar holdings, official and private, from \$9,730 million on December 31, 1957, to \$14,541 million on December 31, 1964.

During the 7-year period the 57 countries listed in the above table received \$14,434,900,000 in military and/or economic assistance from the United States. Therefore, the committee is of the opinion that our financial assistance to these countries enabled them to accumulate

over \$4,811 million in short-term dollar credits and to purchase over \$7 billion of our gold.

INITIATION OF PROJECTS NOT PRESENTED TO CONGRESS

Testimony this year again confirmed the statement that the foreign aid program is presented to the Congress on an illustrative basis—that is, the agency can testify for funds for a project in one country and then use the funds for a different type of project in another country. The following excerpts from the printed hearings confirm the illustrative nature of the program:

On page 942:

Mr. PASSMAN. You could actually testify for funds for a road in Pakistan, and build a brick building in India, and still be within the law, could you not?

Mr. MACOMBER. That is correct.

Mr. PASSMAN. Thank you, sir. I have surprised one of our new members. I should have brought that fact up earlier. This is all illustrative, is it not?

Mr. MACOMBER. That is right; but it is our plan for going ahead.

Mr. PASSMAN. I know, but it is an illustrative program?

Mr. MACOMBER. It is illustrative.

On page 1130:

Mr. PASSMAN. I believe we agreed earlier that all these programs are illustrative.

Mr. POATS. That is right.

Mr. PASSMAN. Legally you could testify for projects for one country and conceivably allocate part of the funds, if not all of them, for projects in another country.

Mr. POATS. Legally, yes. We of course try to avoid this.

On page 1253:

Mr. PASSMAN. In other words, putting it accurately, this money is appropriated on an illustrative basis?

Mr. ROGERS. Yes, we used that word last year.

Mr. PASSMAN. You would buy that again?

Mr. ROGERS. Yes.

Mr. PASSMAN. You could under the law testify for a building and loan bank in Guatemala and build a mountain resort with that money in Brazil if it qualified, could you not?

Mr. ROGERS. Yes, sir.

On page 1442:

Mr. PASSMAN. What you are doing is asking for a complete blank check to do whatever you want to when you want to, where you want to, how you want to, and the legislation is just that broad to permit you to act that way.

You could actually, under the legislation, ask for money for a highway in the Congo and build a summer resort over on the Ivory Coast?

Mr. HUTCHINSON. I could, sir, but I am trying to give you the fullest information that I have.

This flexibility as to the use of appropriated funds is a primary factor in the ability of the Agency to initiate projects that have never been presented to the Congress—even on an illustrative basis—and is cause of concern to the committee. It is the opinion of the committee that very few, if any, of these projects are of such vital importance to our national interest that the Agency must start them without first presenting them to the Congress. The following table indicates the extent and cost of this practice in the past 3 years:

Project initiation	Number of unjustified project	First year cost	Estimated cost to complete
Fiscal year 1963-----	82	\$17,753,000	\$50,905,000
Fiscal year 1964-----	60	7,202,000	21,967,000
Fiscal year 1965-----	83	14,302,000	44,625,000

A review of the titles of the projects started in fiscal year 1965—see pages 1051, 1204, and 1439 of the printed hearings—does not disclose any project that is so vital to the U.S. national interest that it had to be started prior to presentation to Congress.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Iowa.

Mr. GROSS. What did the gentleman say the loss of gold was for the first 7

months of this year? I have a figure of \$1.502 billion.

Mr. PASSMAN. Whatever figure I gave came from the Department. I will have to look it up. It was \$7 billion plus.

Mr. GROSS. I mean for the first 7 months of this year.

Mr. PASSMAN. I only used 3 months. I do not use figures until the people downtown initial them. If they ever get me on thin ice they will push me through and I will freeze to death.

Mr. Chairman, this is of great importance to the committee. I know that some people enjoy great prestige downtown. I would like that, too. When I first came to the Congress, when I would get a call from the White House I would drool like a baby who swallowed its nipple. I just thought that was the greatest thing that ever happened. In recent years, though I am always pleased to get a call, sometimes I am too busy to go.

We have a great President. He told me one time that he did not know anything about the aid program and he said, "You know all about it." I am taking him at his word. He kind of got my ego up a bit. I do not think it is bad to quote him, because that is what he said.

Now let us find out whether the people who administer this program know anything about what it is accomplishing and how much trouble we are actually getting into with our friends because of the aid program.

For years the committee has listened to statements by witnesses that the aid program has helped to develop markets for our exports. This year is no exception, as evidenced by the following statement made by Secretary Rusk:

The committee should also bear in mind that foreign aid often opens the way for U.S. trade.

There are substantial future markets in the developing nations. As development picks up momentum, the peoples of these nations will be able to buy more from us and from other countries. The less developed countries are determined to grow—to buy more and to sell more. The United States can reasonably expect to get its fair share of these expanding markets.

What did Mr. Bell say? Mr. Bell said, in reply to a question:

Yes, ma'am, we will do that.

I suppose he is answering the lady. I do not think he would refer to me and say "yes, ma'am."

As you know, the figures will show that the typical experience is that the commercial exports are rising and they not only rise where the aid has been successful in giving economies stimulation, but this takes place during the process; in Latin America, for example, over the last 3 or 4 years, our aid has been rising and so have our commercial exports.

We are excluding shipments against the foreign aid program, using only U.S. commercial trade balances.

U.S. COMMERCIAL TRADE BALANCE WITH AID-RECIPIENT COUNTRIES

For years, the committee has listened to statements by witnesses that the aid program helps develop markets for our

exports. This year is no exception, as evidenced by the following statements:

Secretary RUSK. The committee should also bear in mind that foreign aid often opens the way for U.S. trade * * *.

There are substantial future markets in the developing nations. As development picks up momentum, the peoples of these nations will be able to buy more from us and from other countries. The less developed countries are determined to grow—to buy more and to sell more. The United States can reasonably expect to get its fair share of these expanding markets. In addition, as these economies grow, there will be an increase in returns on growing American private investment in the less developed areas. Thus, foreign aid is a minor adverse factor in the current balance-of-payments problems; it is a strong positive factor over the long run.

Mr. Bell, the Administrator for AID stated:

Yes, ma'am, we will do that. As you know, the figures will show that the typical experience is that the commercial exports are rising and they not only rise where the aid has been successful in giving economies stimulation, but this takes place during the process; in Latin America, for example, over the last 3 or 4 years, our aid has been rising and so have our commercial exports. (See table on top half of page 576 of hearings.)

I requested AID to furnish data on U.S. exports and imports to aid-recipient countries and additional data as to the amount of economic assistance-financed exports to the same countries. The committee has converted these data into a worldwide graph and four regional graphs which portray our commercial trade balance which is the net of U.S. exports—excluding economic assistance-financed exports and U.S. imports. The committee is of the opinion that such a presentation of the data is more meaningful in that it presents a more true picture of our world trade position since it excludes the economic assistance-financed export data.

It is clearly obvious from the first graph above that our commercial trade balance with aid-recipient countries has dropped sharply since 1960 and, of the four regional graphs, the only area that seems to indicate a rising trend is the Far East—excluding Japan—where the commercial trade balance has increased from minus \$209 million in 1959 up to plus \$7 million in 1963. The Latin America commercial trade balance alarms me as our imports from Latin America exceeded our exports by \$159 million when we started the Alliance for Progress program in 1960. In 1963 our imports from Latin America exceeded our exports by \$670 million. It is just the reverse of the claims made by the witnesses for the foreign aid program.

Inasmuch as we have been extending aid for many years—some of the countries included in the above data have been in the program since the Marshall plan era—it would appear, if credence can be placed in the statements of the various witnesses that have appeared before the committee that foreign aid often opens the way for U.S. trade, that our commercial trade balance should be on a rising trend. Instead our commercial

trade balance is on a very significant downward trend.

What are the facts? Are we not entitled to the facts? Are these not serious questions?

We started the Alliance for Progress program in 1957. It is clearly obvious, from the first graph above, that our commercial balance with the aid recipient countries has dropped sharply since 1960. On the four regional graphs, the only area which seems to indicate a rising trend is the Far East, excluding Japan, where the commercial trade balance increased from \$209 million in 1959 to a deficit \$7 million plus in 1963.

Let us consider Latin America. The Latin America commercial trade balance alarms me, as our imports from Latin America exceeded our exports by \$159 million when we started the Alliance for Progress program in 1960. In 1963, our imports from Latin America exceeded our exports by \$670 million. It is just the reverse of the claims made by the witnesses for the foreign aid program.

So that I may conclude briefly, Mr. Chairman, I will insert these graphs in the RECORD and merely say that the commercial trade balances on a worldwide basis show, dealing with the recipients, that in 1960 we imported \$267 million more than we exported, but in 1963 we imported \$828 million more than we exported.

U.S. commercial trade balance with aid-recipient countries, 1959-63

[Excludes economic assistance-financed exports]

(Dollars in millions)

NOTE.—Graphs are based on data furnished AID.

Worldwide:

1959	-----	-721
1960	-----	-267
1961	-----	-519
1962	-----	-685
1963	-----	-828

Africa:

1959	-----	-73
1960	-----	-93
1961	-----	-125
1962	-----	-62
1963	-----	-99

Far East (excluding Japan):

1959	-----	-209
1960	-----	-143
1961	-----	-9
1962	-----	-71
1963	-----	+7

Latin America:

1959	-----	-388
1960	-----	-159
1961	-----	-372
1962	-----	-634
1963	-----	-670

Near East and South Asia:

1959	-----	-51
1960	-----	+128
1961	-----	-13
1962	-----	+82
1963	-----	-66

If you would go to the record and go to the hearings and go to the facts, you would know that these countries are taking either the AID money we give them or the money that they acquire from their exports to buy from our competitors. I could put reams of information in the RECORD on that.

Now, Mr. Chairman, the myth of the 85 percent story. That is the biggest myth ever created by the mind of man.

They say, "Do not worry—85 percent of the money is spent here in America." Sure it is. In fact, about 93 percent of it is spent in America. But what is the story on this 85 percent? You pass this appropriation bill, you credit your X number of nations downtown the amount that they are going to get, and they start issuing their requisitions either for services or for goods, but when they receive those services and those goods and when the ships go to sea, the invoices are sent down to the U.S. Treasury to be paid out of the taxpayer's till. These people forget to tell you that part of it. So if they can prove that is good and correct, to appropriate money to give to foreign nations by which they can requisition goods and services, if that is good, then let us triple our foreign aid program and really have some prosperity here. You know and I know that the record is replete with facts that a great majority of these nations would buy some of what we are giving them if we did not give it to them free. Why do we not just come clean with the people? If it is good, then I want to recommend \$15 billion next year so we will be so prosperous that we just will not recognize each other around here. You know and I know that is a myth. Repeating, if I may, the poor, overburdened taxpayer picks up the invoice, when the goods go out, through the U.S. Treasury. Some of them buy that as being good. So far as I am concerned, it is not good. Trade made this Nation great, and we are getting ourselves so far out of the world markets with our generosity and with giving people our goods and services that they normally spend their dollars for, that we are just not going to be in it any more. May I firm it up this way: if that is not true—if that is not true—then how did the recipient nations accumulate sufficient dollars to reduce our gold holdings from \$23 billion plus to \$13 billion plus? If it is not true, then how did the recipient nations manage to build up their short-term claims against the United States from \$10 billion to \$29 billion in a brief span of 11 years? I do not know of any way, Mr. Chairman, to defend this bill, to help this bill, to help the people who administer it, without pointing out the facts as I find them in the hearings.

I believe if you will refer to the hearings, the things I have said are more fully documented there than they are in the manner I have given them to you today.

I must say this, also. Inasmuch as you have so many people lobbying for the foreign aid program and so many people who are defending the foreign aid program and so many people who are on the payroll of the foreign aid program and so many people who are the recipients of the taxpayers' checks from the U.S. Treasury, if time should ever permit and if I should hold my job and if the committee will put up the money, I am going to endeavor to get out a book on it. Of course, AID gets out a new book every other week you understand, showing the great accomplishments of this program, which is just as mythical as anything you have ever read. However, I want to

get out a book showing the number of lobbyists. I may have to block them in by nation, because in all probability, directly or indirectly, you may have 200,000 people lobbying for this bill.

I have not met 10 people in the past 10 years who are lobbying against it. That is what frightens me and I think it should frighten any person. All of the evidence, all of the time taken is on the other side of the table. These people spend 365 days a year, less holidays, thinking up ways to spend money and coming up with fancy names for these programs, such as the Peace Corps.

Why did not they call it the juvenile technical aid program, or, if they wanted to, the young men's technical aid program? I could have joined them on that basis.

There is the food for peace program—\$1,658 million. If you think that it is food for peace, you had better talk to Sukarno and Nasser and see whether it is food for peace.

There is the title "Economic Aid." They come up with some very highfalutin titles—"Defense Support." Now, that is economic aid. They know that if you get "defense" somewhere in there, you can get it through. There is the program "Support Assistance." Again you think that this is something to support an army. All you have to do is to have a few people in uniform and you qualify for this type of aid.

Mr. Chairman, as I conclude, let me talk about Latin America. You cannot help Latin America by giving them more aid than they can absorb. I am as much for the Latin American program as is any Member of this House. But I think you can spoil an individual, whether juvenile or adult, by giving him more to spend than he actually needs. You know and I know that the program is not succeeding. We regret it. It can succeed, it must succeed. But do you realize that Latin America can draw out of 16 spigots of foreign aid?

In this bill before us for this year there is for Latin America in excess of \$1 billion. I want to say for the record that as of June 30, 1965, there were, from all spigots, \$2,760,100 in unexpended funds to the credit of Latin America. I think we are giving them more than they can utilize, notwithstanding statements to the contrary.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. SHRIVER. Mr. Chairman, I yield myself such time as I may require.

(Mr. SHRIVER asked and was given permission to revise and extend his remarks.)

Mr. SHRIVER. Mr. Chairman, the foreign assistance appropriation bill under consideration today consists of three titles. Title I appropriates for new spending \$3,285 million.

Title II appropriates \$716,453,000. The other title is a limitation of approximately \$1,190 million for the Export-Import Bank.

As the chairman, the gentleman from Louisiana, said a moment ago, actually \$5,191,625,000 is in this bill. Many Members of Congress and people in the

country think of foreign aid as the \$3.3 billion included in title I only. Actually approximately \$7.5 billion has been requested this year for foreign assistance purposes.

Not included in this bill are funds for Public Law 480, commonly referred to as food for peace, in the approximate amount of \$1.7 billion. Not included are contributions to international organizations in the amount of \$97 million; to permanent military construction overseas \$86 million; education of foreign students about \$69 million. And many other items are not included.

Then, too, most people do not realize how much is unobligated, or obligated funds from prior years' appropriations. This is estimated to be in excess of \$10 billion and is sometimes referred to as the pipeline.

If no funds were appropriated this year for foreign aid there would still be this pipeline of about \$10 billion available for various spigots of foreign aid.

Mr. Chairman, many of us in the 89th Congress sincerely believe that a further reduction should be made in the foreign aid program. We contend that reductions should be made for several reasons.

First. Our commercial trade balance with aid-recipient countries has dropped sharply from 1960. Consequently, our so-called balance of payments is in need of correction.

Mr. Chairman, we have heard a great deal about the gold outflow in this connection. It is the opinion of most of the minority that there is a definite relationship between the gold outflow and our program of spending in foreign countries. The flow of gold from this country should not increase as it has in the past several years. This outflow of gold to those who have received our foreign aid funds has increased in the first quarter of this year, 1965, by the figure to which the gentleman from Louisiana [Mr. PASSMAN] referred a little while ago of over three-fourths of a billion dollars.

Mr. Chairman, further aid fund reductions should now be made for the further reason that this 89th Congress has passed many domestic spending bills which will cost the taxpayers of this country billions of dollars.

Finally, Mr. Chairman, now is the time to tighten up the belt of foreign aid because of the demands for increased defense spending to help the Vietnamese in their struggle against communism.

Mr. Chairman, some experts say this war in southeast Asia will require U.S. spending of from \$5 to \$12 billion, and not too far distant in the future.

Mr. Chairman, the House of Representatives will soon act upon an increase for the Department of Defense for the Vietnam conflict in the amount of some \$1.7 billion. It should be pointed out that the Republican members of the Committee on Appropriations are not taking issue with the entire foreign assistance bill.

There is and there has been bipartisan agreement in the amounts requested for many portions, a number of the spigots referred to by the chairman a little while ago.

There is bipartisan agreement, for example, in the amounts requested for the Peace Corps, for Public Law 480, food for peace, for the Export-Import Bank, for the Inter-American Development Bank, for Latin America, and the International Development Association, for military construction overseas, for migrants and refugees, and a number of other items.

But we do contend, Mr. Chairman, that the development loans and grants to foreign governments are areas for greater reductions.

Mr. Chairman, the House committee reduced the asking in a \$3.4 billion bill by a paltry \$75 million, a mighty small reduction in this over \$5 billion spending bill.

Without hurting the program at all, greater reductions at this time are not only desirable but essential to maintain the strength and the security of our country.

In our minority report, signed by 14 of the 16 Republican members of the Appropriations Committee, the minority has set out various reasons for reduction and changes in the foreign assistance program. I do not intend in this discussion and presentation at the moment to restate or reargue all of the reasons that were given in the minority views for reducing this year's appropriation.

I do, however, want to emphasize two points of importance to the strength of our country.

First. I know you will remember that the majority of this Congress has passed many enlargements of old Federal programs and has acted upon many new programs, requiring several billions of additional tax dollars.

Let me remind you of some of the spending programs we have acted on at this session of the 89th Congress.

We have had the Appalachian Regional Development Act, calling for some \$1.1 billion; the Inter-American Development Bank, which I referred to previously, and the chairman did also, in the amount of \$750 million. The elementary and secondary education bill calling for \$6.7 billion; the Manpower Act of 1965, \$454 million; International Monetary Fund, \$1,031 million; river basin projects, \$944 million; Area Redevelopment Act, 2 months' extensions, \$12 million; Small Business Act revolving fund increased, \$120 million; community mental health centers amendments, \$385,500,000; the Missouri River Basin projects, Garrison Unit, \$207 million; community health services, \$117 million; Public Health Service extension, \$280 million; Housing and Urban Development Act calling for \$8,238 million; increase of military base pay, \$991 million; Public Works and Economic Development Act, \$3,325 million; social security amendments over \$6 billion in increased tax funds.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. SHRIVER. I yield to the gentleman from Illinois.

Mr. FINDLEY. I am glad the gentleman has called attention to these other aid-type Federal programs that have been authorized this year. I noted a list

in the committee report. I would like to call the gentleman's attention to the Sugar Act, which is not included in this listing but which actually involves a substantial amount of foreign aid. We have a proposed 5-year extension of the Sugar Act before Committee on Agriculture at this time. The estimate of the foreign aid component of the Sugar Act is over \$200 million a year. So here is a very substantial item of foreign aid that should be added to the list.

Mr. DAVIS of Wisconsin. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The chair will count. [After counting.] Eighty-one Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 267]

Adair	Griffiths	Pirnie
Andrews,	Hanna	Poage
George W.	Harsha	Powell
Ashbrook	Hawkins	Reifel
Baring	Hébert	Resnick
Berry	Hollfield	Roncallo
Bolton	Hungate	Roosevelt
Bonner	Jones, Mo.	Rostenkowski
Brademas	Kee	Ryan
Bray	Kornegay	Saylor
Cameron	Landrum	Senner
Chelf	Lindsay	Sisk
Clawson, Del	McClory	Springer
Craley	MacGregor	Teague, Tex.
Daddario	Martin, Ala.	Thomas
de la Garza	Mathias	Toll
Diggs	May	Wilson,
Farnsley	Morton	Charles H.
Fuqua	Pepper	Wright

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 10871, and finding itself without a quorum, he had directed the roll to be called, when 373 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. SHRIVER. Mr. Chairman, prior to the quorum call I had yielded briefly to the gentleman from Illinois [Mr. FINDLEY] and he had called attention to the sugar bill, another form of foreign aid, requiring some \$200 million. I also did not mention the International Coffee Agreement subsidies and other items. At that time I was listing the major authorizing legislation which had been passed at this 1st session of the 89th Congress. I listed the major authorizing legislation that has been passed upon and enacted at this 89th Congress, 1st session, which amounts to more than \$31 billion of new spending.

Mr. Chairman, the list does not include authorizing legislation necessary annually for military procurement, for the Atomic Energy Commission, for the National Aeronautics and Space Administration, and, of course, does not include the foreign aid authorization bill for which we are making appropriations today.

Surely, Mr. Chairman, with these new domestic programs requiring billions of new money, this House will feel that the

very small \$75 million reduction as recommended by the Committee on Appropriations is grossly inadequate at a time when these new programs will require so much additional funding.

Mr. Chairman, the second point I want to emphasize is that our Nation is involved in a costly and expensive war in southeast Asia. We are attempting to help the South Vietnamese in their struggle against the advancement of communism.

Not long ago, Mr. Chairman, this House voted for a supplemental defense appropriation of \$700 million and the other body has already voted and we will have it before us, another \$1.7 billion for defense in connection with Vietnam.

Mr. Chairman, the weeks, the months, and we are told possibly years, have the strong possibility of many billions more for that struggle in Vietnam and in southeast Asia.

So why not effect some economies now and support reductions in the bill before us?

Now, Mr. Chairman, where can reductions be made without crippling or harming our foreign commitments and our foreign policy? I submit to the members of the Committee there are several places in this bill where economies can be effected and where reductions can be made. I believe it is not a barebones bill. Certainly, the gentleman from Louisiana a little while ago emphasized the point that this is not a barebones bill by any means.

I am reading from the conference report on the foreign aid authorization bill recently signed by the President.

Section 205: The President may make available, in addition to any other funds available for such purposes, on such terms and conditions as he determines, not to exceed 15 per centum of the funds made available for this title to the International Development Association, the International Bank for Reconstruction and Development, or the International Finance Corporation for use pursuant to the laws governing United States participation in such institutions.

In other words, in the authorizing bill for foreign aid passed not long ago and recently signed, the administration, the executive department, asked for and received authority to transfer 15 percent of the Development Loan Fund to the International Development Association or to the World Bank. Inasmuch as it is apparently thought by those administering the economic assistance program that 15 percent of the development loan funds of this bill, the bill we are now debating, could be transferred, why not reduce the development loans by 15 percent?

The request was made by the executive branch that this policy be stated in the conference report on the foreign aid authorization bill. Heretofore it was 10 percent. This would amount to \$100 million of possible reduction which could be made in this bill without destroying the effectiveness of foreign aid. There is adequate funding now in the World Bank and the International Development Association.

I submit there was \$91,295,000 of unexpected carryover of development funds reflected in the agency figures. These two items I mentioned would amount to \$192,575,750.

Then under the international organizations and programs there is an increase over last year's appropriation of \$10,482,600. For development loans for Alliance of Progress there is an increase of \$20,125,000, with an unexpected carryover of \$29,686,000, making a total of \$49 million, approximately \$50 million. These are items where reductions could be effected without hurting or crippling the program.

I would be remiss if I did not refer to mismanagement and misdirection relating to the assistance program. Every year when we are debating this bill and the authorization bill we hear of gross errors made in the administration of such a vast and complex program. We hear of extravagance, of waste, of inefficiency, and occasionally corruption in the program. All too frequently our tax money has gone to further ideologies alien to our concept of the freedom of man. I will mention but a couple of instances from our hearings. Going into our hearings of this year and prior hearings you will find many instances.

On March 19 of this year the Comptroller General told the Senate Foreign Relations Committee:

In a recent review of economic assistance furnished to the Republic of the Philippines we observed that about \$54 million in grant aid assistance for development projects had been furnished which substantially exceeded Philippine capability to effectively absorb, maintain, and utilize with the limited country funds allocated for this purpose. We found as a result the project did not achieve the economic development benefits that could have been reasonably expected had adequate levels of support been made available by the Philippine Government.

Then the Comptroller General suggested that the committee might consider enactment of legislation which would require appropriate officials of the Department of State and the Agency for International Development to certify that the recipient country has sufficient available resources to devote toward the proposed programs to assure that they are carried out effectively.

For example, a shipping pier was not completed because of lack of cement to be provided by the Philippine Government. In the case of wells, we furnished well casing and drill rigs. It was up to the Philippine Government to provide maintenance and operations people. He also discussed dredges which ran into several millions of dollars which were operated at a very low rate of efficiency, although the harbors in the Philippines were clogging up with silt and the need to remove it was the primary purpose of providing the aid in the first place. The Director of the International Operations Division of GAO explained that the Philippine Congress had appropriated funds to support the U.S. contribution in good faith, but not enough revenue was ever collected to fund the appropriation.

The Assistant Administrator, Far East, Agency for International Development, in the hearings agreed that was a good catalog of all of the problems in the Philippines in recent years. He added, when I asked about other similar instances, that a loan had been made to

the Central Bank of the Philippines for small loan relending to industrialists. He said and I quote:

Some of that money was not used year after year. We deobligated the funds. In this case the spread between the interest on our loan and the allowable interest on the Central Bank was not enough to make it attractive for them to handle. The businessmen themselves would prefer to pay a higher interest rate and avoid the rigmarole and the disclosure elements required in a public loan. So we deobligated some of that money and it reverted to the general accounts. In the same way we deobligated some money for the roads and bridges loan which the GAO mentioned. That loan was reduced.

In other words, they did not need the money badly enough to put up with the redtape. They would rather be independent, borrow the money privately even though the interest rate would be higher.

One of the Members of this House received a letter from a young man in the Peace Corps serving in Ecuador telling how the town of Bahia—a village of some 8,000 inhabitants, was an excellent farming region until the midfifties when the area was hit by severe dry weather. Since then the population of the village had been leaving the area. The rains returned last year and the harvests were nearly as abundant as prior to the drought.

U.S. AID has a project to provide technical assistance to underdeveloped countries to help set up small locally owned industries. Last year this village of Bahia was selected as a site for studies for the development of small industry. The natives were very hopeful as the town has a completely agricultural economic base and no industry. U.S. AID hired a university staff to make the study—and sent out not highly trained experts but a group of undergraduates. The natives were skeptical but accepted them and raised \$60,000 to begin a corn products industry suggested by the AID people. I want to emphasize that on their own they raised \$60,000 hopeful that the project would go forward. Late last fall came the word that the study was incomplete and that the industry suggested would fail if they tried it.

When I read the letter from this peace corpsman to the AID Administrator during the hearings on May 4, the committee was promised an explanation of this project. It was not received by the time the hearings went to press and a reply to the committee did not come until June 30—almost 2 months later.

Now if this is typical, then it is not like our own congressional offices where efficiency and promptness are required. That is another indication of the way the program operates and functions.

The foreign-aid programs need a major revamping and the bulk of the American people are in accord with this theory. I know many of you have sent out questionnaires and opinion surveys in an attempt to find out the thinking of your people concerning the foreign-aid program. I think it has been the same as the many of the rest of us—75 percent and upward are in opposition to this kind of program.

After spending well over \$100 billion, more tangible results should be observable.

Certainly the focus of our foreign aid program should be upon the use of our abundance of food for the unfortunate people of the world where starvation is all too prevalent. Certainly our aid program should be toward educational and technical programs to help the people of emerging nations to take their rightful place in the world. We also need to be mindful of the best interests of our own people and to maintain the strength and position of our finances and the strength of our beloved Nation.

Finally, I wish to express appreciation to the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN] who has been most courteous to the new members of the committee—in fact, to all members of the committee. It is our feeling that the chairman is dedicated in protecting the taxpayers' money.

Mr. PASSMAN. Mr. Chairman, will the distinguished gentleman yield?

Mr. SHRIVER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I have never known a member of the subcommittee who worked any longer, any harder, or who learned so much about such a complicated bill as this so quickly as has the distinguished gentleman from Kansas. He has cooperated with me, and he has disagreed with me also at times.

I want the gentleman to know that it is a genuine pleasure to serve with him on the subcommittee and I look forward in the future to the gentleman's good counsel.

Mr. SHRIVER. I thank the gentleman from Louisiana. With that, I conclude.

Mr. WHITENER. Mr. Chairman, the remarks of the gentleman from Kansas [Mr. SHRIVER] on H.R. 10871 have been most helpful. These remarks, coupled with the minority views in the committee report to which the gentleman is a signatory, point out some of the things which should concern all of us as we consider appropriating more billions of dollars for foreign aid.

On numerous occasions I have expressed the view that our foreign economic aid programs have been misadventures for the Government of the United States. The transcript of the hearings conducted this year by the Appropriations Committee indicate little improvement in the administration of the economic aid program. I concur with those who have expressed the view that the American people should not be called upon to give further financial contributions to the program unless there is a tightening up of the administrative policies employed.

This bill provides for the expenditure of more than \$2 billion during the fiscal year 1966 for economic aid alone. When added to the amounts already spent in the past years, the figure becomes astronomical. I agree with the view that has been expressed that if the American people knew the full extent of expenditures for foreign economic aid under the various legislative proposals that have

been approved by the Congress there would be a public outcry which would result in a termination of further foreign economic aid programs.

For some time many of us have urged that economic aid and military aid to foreign nations be handled in separate legislation. If this were done the Committee on Armed Services would have its proper jurisdiction over military authorizations restored. I believe that this would result in a better division of authority than we presently have in that the Foreign Affairs Committee could give its full attention to nonmilitary matters and the Armed Services Committee could give careful study to the military aspects of the program.

While I do not support the economic aid phase of this legislation, I would happily support the military assistance program. The \$1.170 billion appropriated in the bill now under consideration is not in my opinion exorbitant. I believe that we are making an investment in our own national security when we utilize these funds to assist free nations in improving their defense posture.

The one splendid example of the wisdom of our military assistance program is to be found in Taiwan. During the latter part of 1964 I had the privilege of seeing first-hand the effective way and manner in which our military assistance program is being carried on in that nation. In talking to our own military leaders there I was impressed with their evaluation of the high degree of cooperation that the Government of Taiwan is giving in strengthening the position of the free world in the Asian area. We have no better friends in the world than the free Chinese people. We find no greater military competence than is to be seen in the military forces of Taiwan.

There are other examples of the real value of our military assistance programs which are well known to the members of the House of Representatives. We must have a sound mutual defense program with friendly nations, and I believe that we have had that in a general way even though there have been cases where it appeared that our military assistance has not been in the interest of peaceful relations between nations.

These occasional conflicts between nations which have received military assistance are regrettable. It would be my hope that we could in the future avoid having American weapons given to one nation deployed against American weapons which that nation's adversary is then using. This would be the ideal situation. Unfortunately, so long as there are conflicts between nations we cannot avoid these isolated situations which bring such unhappy results.

Our Nation cannot stand alone in a world filled with conflict. We must remain strong, and that can best be done through intelligent military assistance programs with countries which are proven friends.

Mr. Chairman, while I cannot vote for this legislation, I felt impelled to make this statement to indicate that I do subscribe to the concept of military assistance with as much fervor as I have distaste for the economic aid program.

Mr. Chairman, I yield to the gentleman from North Dakota [Mr. ANDREWS] 5 minutes.

Mr. ANDREWS of North Dakota. Mr. Chairman, today we are considering a very important bill. For a long time foreign aid has been the whipping boy of those people in politics and perhaps those people who just do not understand the potentiality of a program of this type. Perhaps it has been the whipping boy because there are no constituents of Congressmen in foreign countries. Perhaps it has been a whipping boy because of maladministration and because of a wasteful use of the taxpayers' money.

Whatever the case, it is serious business when we blithely and indiscriminately attack a program which has as much potential as this program has.

Today we are in a war in this world. It is a cold war, perhaps, but nonetheless, it is a war. It is a war to win men's minds.

The minority views point out that the foreign aid bill could well be the most significant program for world peace of any program that will come before the Congress in this session. I think that we all must recognize that slogans are not enough. We have heard a great many fancy words in this Congress. We have heard about the poverty program. We have heard about the Great Society. We have heard about many other programs, such as rent-a-care, medicare, and foreign aid. But foreign aid, if it is going to succeed, must get through to and benefit those people in foreign countries who most need the help. I think we need a more practical approach. I think every student of foreign aid recognizes that we need private enterprise participation. Our program, particularly the AID part of it, is fortunate in having a man such as David Bell running the program. I do not think under any administration—Truman, Eisenhower, Kennedy, or now, President Johnson—have we had a more capable, more dedicated, more sensible administrator. A lot of the problems in the foreign aid field today are simple ones, ones that can be solved with just a little bit of commonsense. Mr. Bell and some of his workers are applying that commonsense.

Not too long ago one of the men working in AID with him found that for years we have been using milk powder to send to underprivileged countries. But we have been sending that milk powder to underprivileged countries before we treated it with vitamins, which we do before we fed it to our own children. That man, Dr. Phil Lee, happened to think, "Would it not be more sensible to treat this powder with vitamin enrichment as we do the milk powder fed to our own children and thus benefit those people who need it so much?"

He did so and it has made a tremendous impact for good on the children of the world. Unfortunately, they moved Dr. Lee to be Assistant Secretary of Health, Education, and Welfare, because they probably need talent of that type more where individual constituents in our own country are suffering under maladministration.

Those of us who come from agricultural areas in particular talk about food a lot. Many have said that today in the world there are 10,000 people a day who die someplace of malnutrition and starvation.

We must also recognize that the families in the newly emerging nations should be the true goal for American good will. They should be the target for our propaganda, if we wish to call it that. They should certainly be the recipients for the American hope that is the Government we have and are so proud to claim our own. Our Government works, if for no other reason, because it is the one government under which the people not only are free but also have enough food to feed themselves.

What better way could we implement our foreign aid program than to let the people in the newly emerging nations know that America is the country which can and is willing to provide them food. The Communists cannot. Other nations cannot. We can.

We in our country spend more than \$50 billion a year on armaments to defeat men in the field of war, but we spend little or nothing to win the minds of men in the fight for peace. For 4 percent of our budget for military hardware we could provide more than a billion additional bushels of wheat to bring the dietary level of the world's people more nearly to normal.

How can we appeal to a family in a newly emerging nation which may have three or four children slowly dying of malnutrition, when they hear that America is cutting back its farm production, because we feel food is not needed—that Public Law 480 is regarded as merely a way of throwing unwanted food surpluses down the drain.

It is time for us to be proud of what food we have and to present this to the world not as a giveaway of something we do not need but as a positive weapon for peace in a definite showing to the world of what America has to offer and what we can do.

We are in the situation of holding a handful of aces in one of the most important poker games in the history of the world. It would be a shame to lay this down and pick up a bunch of deuces.

Hand in hand with adequate diet, Mr. Chairman, goes education. We must concentrate on these two fields—food for the hungry, and education so that we can bring the people of the world up to realize their potential, up to realize the goal which can be theirs in a world where people work and live together.

These programs must be broadened and strengthened. The waste must be taken out of them so they can be truly responsive. It is about time that we in the Congress recognized we should not use foreign aid as a whipping boy but should seek to correct the inequities we all know exist and to build it stronger, because in the long run it could well be the best investment this Nation has ever made.

Mr. SHRIVER. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. CONTE].

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. ROBISON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from New York.

Mr. ROBISON. It is a privilege for me to be able to join with the gentleman from Massachusetts, now in the well, in the additional views which appear in the committee report on this bill. I commend the gentleman for his leadership in helping prepare those views.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. I congratulate both the gentleman in the well, Mr. CONTE, and the gentleman from New York [Mr. ROBISON] on the excellence of their views in the committee report. I wish to associate myself with them, with the exception, of course, of the commendatory remarks they make about the 80th Congress, and I leave those to their conscience. That does not mean, however, that I do not agree with the laudatory remarks the gentlemen made in praise of former Congressman Herter and the late Senator Vandenberg. I believe those remarks are well taken.

I associate myself with the remarks of the gentlemen, because I believe they did a good job. It is unfortunate that the majority report on this bill did not go beyond a rather sketchy description of the various programs which are a part of the foreign aid bill. They neither discuss nor appraise the programs. As the gentleman from Louisiana, the chairman of the subcommittee, said, this is a bare bones bill, to use his words, and a bare bones report. It is most unfortunate that a report on as complex, as controversial and as important a bill as this one should be "bare bones." It should be more informative. The Members of the House should be apprized in greater detail of the effectiveness of the operations of the programs.

I do not for 1 minute minimize the work of the Subcommittee on Foreign Aid. The subcommittee members are very able, very conscientious, very thorough. They spent endless time in the comprehensive hearings. Unfortunately, the report does not reflect the vast effort they expended. The majority report in great measure was only a bookkeeping report of past and proposed expenditures. I think that is unfortunate.

I am very much aware of the value of bookkeeping and accounting in connection with these expenditures. I am cognizant of the impact and sacrifice that the American taxpayer has made, of the huge sums of money that have gone into assistance to other countries. I suggest that although figures are important, accomplishment, achievement, national policy are important, too. Is our foreign policy being truly served by the tremendous expenditures being made?

I agree with the gentlemen from Massachusetts and New York in calling for a massive reappraisal of the programs, looking to selective aid rather than scat-

tershot programs. I agree with the constructive suggestions they make. I agree with the gentlemen that there be additional emphasis on self-help and further mutual cooperation. Certainly, I agree that the military assistance programs should be reviewed immediately and reduced when assistance exceeds the needs of internal security as it does in many instances. I agree with the gentlemen on the need for a more creative utilization of foreign currencies. The enormous sums of counterpart funds which have been amassed must necessarily be a source of concern to the countries involved and inevitably a source of friction with us. The huge sums mounting in their treasuries which belong to us hang over their economies potentially like the sword of Damocles.

Finally, I think it is time our entire foreign policy was reviewed. Policies which were conceived and were appropriate more than a decade ago may not be adequate for the world today.

Mr. Chairman, it would appear that the time has come for another great debate to chart our future course.

I thank the gentleman from Massachusetts for yielding.

(Mr. YATES asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I thank the gentleman for his brief remarks.

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman from Massachusetts yield at this point?

Mr. CONTE. I am about to run out of time.

Mr. ROONEY of New York. We shall yield you some more time.

Mr. CONTE. On that condition I yield to the gentleman.

Mr. ROONEY of New York. I should like to say that I thoroughly disagree with the distinguished gentleman from Illinois [Mr. YATES], the distinguished gentleman from Massachusetts, and, unexpectedly, with the distinguished gentleman from New York [Mr. ROBISON] because in their additional views set forth in House Report No. 955 the latter two gentlemen get off into an area concerning the use of foreign currencies that they are not at all, in the absolute sense, concerned with. These matters properly belong to the committee which is chairmanned by the gentleman presently speaking, the gentleman from New York, and which includes the distinguished ranking minority member of the committee, the gentleman from Ohio [Mr. Bow]. I like to think we know something about the use of these foreign currencies. I am sure I bespeak the thoughts of the distinguished gentleman from Ohio [Mr. Bow] who is present, as well as I do my own when I say that we do not at all agree with either of the three gentlemen I have mentioned or with the distinguished Mr. Chester Bowles, our Ambassador to India. We do not need people to think up how we can indiscriminately get rid of our foreign currencies that cost the American taxpayers good, hard American dollars. We

ought to watch out for our foreign currencies.

Mr. CONTE. I thank the gentleman from New York for his comments. He does not have to tell me what committees has jurisdiction over this subject matter because I have been working on this project for years and I will put my knowledge on this subject against his any day in the week. I know it comes under the jurisdiction of the Committee on Appropriations, the Subcommittee on State, Justice, and Commerce.

In regard to indiscriminately getting rid of foreign currency which we own, I believe by putting these funds to good use we can save a great deal of money for our taxpayers. I will have more to say in regard to this matter in my prepared speech. Mr. Chairman, I was one of those who went along with the gentleman from New York, who is interested in saving money for the taxpayers, in coming out with this bill. I did it this year and last year, and I think our minds and thoughts run parallel even though we might disagree in this small area here.

Mr. ROONEY of New York. That is the absolute fact. Those of us who feel as we do about foreign aid and its importance to the security and welfare of our country are very much indebted to the distinguished gentleman from Massachusetts for the valuable contributions that he has made over the years.

Of course, when the gentleman says he knows this matter does not belong in this Subcommittee on Foreign Operations, the gentlemen should not have incorporated their additional views in the report on this bill.

Mr. CONTE. Unfortunately, Mr. Chairman, we have already consumed 5 minutes and therefore cannot yield further. I am not a member of the gentleman's subcommittee and I could not incorporate this information in his committee report. The idea is tied in with our foreign aid program, it is part and parcel of foreign aid, even though that item comes under the jurisdiction of the committee headed by the gentleman from New York [Mr. ROONEY].

Mr. Chairman, we have come once again to that time annually devoted to deliberations on the letter and the spirit of our foreign aid program. Today, if we do not break the pattern of the past, our debate will be little more than an exchange of admonitions against foreign aid for accolades in its support. And when everyone has spoken his mind, while the letter of the program will have been virtually unchanged, the spirit will have been all but broken.

I have been an ardent advocate of foreign aid for as many years as it has been my privilege to serve in this body and on the important Appropriations Committee. Only once in those 7 years have I said "no" to an administration proposal in this area. I am proud of that record and stand ready to defend it against attack from any quarter. I am committed to the spirit of foreign aid. It is a vital arm of our foreign policy, and I give it my full support. However, I am neither blind nor indifferent to the letter of the program.

I see this year as a significant year for the program of assistance that we send around the world as the helping hand of the American people. We are at a crossroads for foreign aid. We have traveled a long road to the point where the mere continuation of what has been done in the past is insufficient to meet the problems of the future. We have reached the point where there must be a comprehensive reevaluation of the scope and character of our assistance efforts.

Because of this, a mere repetition of the hackneyed debate of the past serves no worthwhile purpose. We must seize the opportunity which is ours today. That opportunity is not to draw the rug out from under the proposed program for this fiscal year. It is to explore seriously new ideas for a new program of assistance, to plot the course of the new directions we would like to see it take, and to lay the groundwork, through this debate, for a new program for the future. The exploitation of the opportunity that we have, requires, more than at any time in the past, that the spirit of foreign aid be defended, rather than broken by barred, negative reactions to the letter of today's program.

Last year as we were involved in the debate on foreign aid, I called for suggestions for changes and improvements from you, my colleagues in the House. In remarks on the floor, I emphasized the need for greater congressional examination of the strengths, as well as the weaknesses, of foreign aid. There are any number of ways that we can influence the course of foreign aid. We must not be diverted by negativism which casts doubt on the program, undermines confidence in the concept, and breaks the spirit of the idea.

What are the strong points around which we can rally and build a new program? The greatest strength of the program is its heritage, out of which grew the drive and the spirit which even today, though much maligned, has not been defeated. I believe the majority of Americans support the basic, fundamental mission which we began in the forties with the Truman doctrine and the Marshall plan. A bipartisan effort in its inception, the able leadership of Republicans such as Christian Herter and Arthur Vandenberg gave the impetus to what all the world saw as a saving helping hand to fill the void left by war's devastation and havoc. Through the years new proposals have been made to meet new problems; foreign aid to the desolated, though developed, Europe in the post-World War II days was a very different thing from foreign aid to the developing countries of the world which has followed. But, we have not changed the basic, fundamental mission of our foreign aid, though we have adjusted its scope and character. These three go hand in glove and we cannot hope to improve the program through adjustments in its scope and character if we impede the underlying mission in doing so. I believe that our improvements must come from a positive political climate, emphasizing the strengths of the existing program.

This year Congress has received the smallest request for foreign assistance funds in the history of foreign aid. This is due, in part, to the fact that our assistance is becoming somewhat selective and concentrated. Ten years ago if you stuck a pin in a globe of the world, your chances were mighty good that you would hit a country receiving aid from us. At that time we were helping 100 countries. Today, we are aiding 72 countries with 95 percent of our aid going to only 31 of them. This is a strength of our foreign aid program. However, the idea of selectivity and concentration in our assistance efforts has by no means been fully implemented. A decrease from 100 countries to 72 countries still leaves us involved in too many countries. Even greater selectivity in assigning aid funds to a country, will enable the AID Administrators to evolve a more purposeful program aimed at more precise objectives. By concentrated and intensive efforts in a smaller number of countries having development potential, coupled with the will of the people to be partners in our assistance efforts, a sound and diversified economic base can be established in these countries. Then, in good time, this small number of countries can join with us, offering their help to their lesser developed neighbors and relieving the burdens that would otherwise be ours if we were forced to do the whole job by ourselves.

This would enable us to build an assistance program from a limited base that would ultimately reach all the developing nations of the world. It would free us from the burden under which we labor today of trying to do a little bit for everyone with the result that we do too little for anyone. It would, at the same time, place even less of an eventual burden upon this country. We could rely on a regional identification of interest and the concern of neighboring nations, one for the other, to enlist the assistance of those we had helped in the past to help others now.

Even today, other free world nations are joining with us. During 1963, commitments by other free world nations for economic development increased, while U.S. commitments declined to less than half the free world today. The nations we helped with the Truman doctrine and the Marshall plan are now helping others.

We have the basis for greater selectivity in this year's program and can take this as a starting point on which to build. We can insure, by increasing our selectivity in the number and in the choice of countries, that the maximum benefits will accrue from the expenditure of our aid dollars. Otherwise, we run the risk of losing the potential help that this select number of countries could provide in assisting other developing countries in the future because we have spread ourselves too thin with too many projects and too many programs in too many countries.

Ten years ago, two-thirds of all our aid was military assistance. The bulk of our aid is now directed toward long-range economic development. The

ratio has, in fact, been reversed; two-thirds of our assistance is now economic. We are providing capital and technical assistance for long-term development and progress toward self-support; we are building a strong foundation in these countries upon which all other capabilities can be raised up. This, too, is a strength of our foreign aid program; this, too, can be improved upon. Approximately 72 percent of the total funds programed for military assistance will go to the 11 forward defense countries bordering on the Soviet Union and Communist China. We are also continuing military assistance programs in Africa and in Latin America. With respect to the latter, I have long advocated a change in emphasis for our military assistance. I am not convinced that, in every instance, the funds, which have been programed for military assistance for the Latin American countries, have been applied toward their intended purpose. These funds could, however, well be an enabling factor for any Latin American country's buildup of military capabilities for external aggression. These funds may well have been applied in many of the coups that have taken place in Latin America.

The funds programed for military assistance have been decreasing through the years. However, in Latin America, the amount has been increasing and not knowing to what end it may be applied makes this an ominous increase. Because of this imponderable element of Latin American military assistance, I strongly recommend a regional military defense organization for the Latin American countries similar to the North Atlantic Treaty Organization. This would eliminate the necessary, but essentially uncontrolled, grants of military assistance to the individual Latin American countries. It would provide an identification of interest and purpose, common to all the Latin American countries, for the defense of Latin America.

Our military experts have agreed that it is essential that these nations come to the realization that the Communist threat affects all Latin American nations, not just a few. The successful resistance of any one country to this threat may well be dependent upon the combined efforts of all, singularly and forcefully brought to bear on the common foe. The establishment of a regional military organization would serve to unite these countries in an effort where they must depend upon one another.

While encouraging local private enterprise in the developing countries, our aid program continues to promote expanded private American investment in Asia, Africa and Latin America. Since 1961, there has been dramatic growth in programs available to American investors to give them incentive to put their capital and management skill to work in the underdeveloped nations. The justification for this year's program, which has been submitted to the Congress, has indicated the increased awareness of the AID administrators to the need for private initiative in our assistance efforts and

the contributions which can be made by this private sector. This is a strength of our foreign assistance program; this is a strength that sorely needs shoring up, a concentration of effort and an expansion of scope.

We are a nation built upon individual initiative and private enterprise. We have, then, no better spokesmen for the freedom of choice and the economic advantages afforded by a Democratic society than these individuals. As a part of such a society, they have advanced to the point where they are now able to offer their cooperation to those in the developing countries eager to set out for themselves.

A recently completed study on the need for private initiative in our foreign assistance efforts, estimated that there is a \$5 to \$20 billion gap between the capital resources that go into the developing countries and the resources that the people of these countries need. These needed funds cannot come from the Federal Government in any one year. The enlistment of the vast resources of private enterprise would help to fill this gap and would insure the earlier accomplishment of the task we have set for ourselves in the developing nations.

A second area of need for private help in the developing countries is that of human resources. There can be no price tag put on such a commodity; it is measured only in terms of skills, technology, and understanding. Money alone cannot do the job of developing these countries. The prudent use of available funds is directly dependent upon the know-how of those in whose hands the funds are placed.

The call is for such diverse areas of expertise that only the entire private community can have the means to answer that call. Our universities, business enterprises, labor unions and professional societies are a vast and virtually untapped reservoir of capital, skills and human resources. These must be motivated and applied to assist the world's developing countries. I am not saying that the ultimate success or failure of our foreign assistance program is in the hands of private enterprise. I am saying that the means for accelerating our efforts, and the development of these countries, can be found in these private resources. We should make every reasonable effort to expand our program of incentives for private capital and human resource investment in the developing countries.

We must pick up the ball in other areas of the foreign aid program which are not strong points of the program now, but could serve as bulwarks of a new program.

Every effort should be made to utilize the U.S.-owned foreign currencies in the growing number of excess currency countries. The obstacles which have blocked past efforts to put these idle funds to work should be studied once again. Where the interests of both this and the excess currency country would be served by freeing the currencies from these obstacles, we should take appropriate action to do so.

The administration should make a more concerted effort to bring proposals for the use of these funds before the Congress. There is no excuse for a proposal, concerning a matter that has been with us for as long as these excess currencies, to be so ill-conceived and poorly drafted that it must be turned away by the Congress as indefinite.

Within the limitations that are applicable to these currencies today, there have been some exciting proposals for their use. In India, where our holding of excess currency is greater than in any other country, Ambassador Bowles has worked to free these funds for projects for that country. I have stressed again and again, year after year, to the witnesses who have appeared before the Foreign Operations Subcommittee, that every possibility for the use of our excess currencies be explored. The recent study on private initiative in foreign aid recommended a widening of the uses of these currencies to include a proposed program of incentives for private investments in the developing countries.

There are complicating factors to the freer use of excess currencies. But, at the same time, it has become increasingly complicated just to hold these funds as they grow with abandon. We are being criticized by the countries where the accumulation of these funds has gotten quite out of hand. They pose a definite threat to the internal financial and economic systems of those countries. It is, then, contrary to the interests of this country and the countries where these currencies are held to let them remain idle while projects which they could support go unfunded.

Within this hemisphere, our assistance efforts are falling far short of the immediate needs of the people of Latin America. The population of Latin America is growing faster than any other area of the world and the birthright of these new citizens of the world is too often hunger and hopelessness. As we look toward a new program of intensified efforts in a selected number of countries, one area of emphasis must be Latin America. We are only beginning to reap the benefits of the Alliance for Progress for the people of Latin America as we enter the fifth year of that program. I believe that in that short time it has become evident that the will of the people of Latin America is to grasp the helping hand which we extend to them.

Finally, our concern for a strengthened and effective new program should not overlook the needs of the administrators of that program right here in Washington. In colloquies with David Bell, a superbly competent Administrator, in his appearances before the foreign operations subcommittee, he has declared that the lack of a personnel authority specifically designed for aid is the number one problem with which he is faced. He and his staff are responsible for the operation of an international business, but have been given no personnel guidelines to direct the most efficient operation of that business. AID is not an agency functioning only domestically, subject to the Civil Service guidelines, not is it

a foreign operation that should be directed according to the Foreign Service reserve system. The quandary is certainly not resolved by applying both personnel authorities, which is what has been done, with results most akin to having the worst of both systems control. The unique requirements of the agency should be answered in legislation specifically drafted for that purpose.

I hope I have been able to redirect our thoughts and words for this year's debate to preclude a recurrence of what has become an annual debacle of the letter and the spirit of our foreign aid program and to prompt some positive, constructive thinking.

I am not advocating that we cast aside this year's program and rewrite it to conform to my thoughts or your thoughts. I support this year's program and the overall thrust of its objectives. We have seen steady improvement in our foreign assistance, whether you measure that improvement in terms of the amount of the appropriations request, in the number of countries to which our aid is going, or the balance between our successes abroad when measured against our failures.

We are not engaged in a hopeless mission. I believe that a serious and constructive reappraisal of the scope and character of that mission in the months ahead will enable us to formulate a new program directed to its successful completion.

It has been said that we are all children of the earth. If one of us is oppressed, we are all oppressed; if one hungers, everyone hungers; if someone's freedom is taken away, our freedom is less secure. Such is the call for assistance efforts. Because we are the leaders of the free world, that call goes out to us. Some would say it is a burden of power; others would say it is an opportunity. I have given you my argument. In the words of Samuel Johnson, a lion in controversy, "I am not obliged to find you an understanding."

Mr. ROBISON. Mr. Chairman, my own remarks will be brief, since I am not a member of the subcommittee which dealt with this appropriation bill—H.R. 10871—the foreign assistance and related agencies appropriation bill for 1966.

I would, first, want to express my appreciation for the untiring effort made again this year by the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], in insuring that there has been a thorough and careful review of the activities carried out under the various programs covered by this bill, and of the budget requests for their continuation for 1 more year, and I would similarly wish to congratulate all the members of his subcommittee for their contributions in this regard.

Also, I believe special mention should be made of the work of the two new minority members on the subcommittee—the gentleman from Kansas [Mr. SHRIVER] and the gentleman from North Dakota [Mr. ANDREWS]—both of whom were given a most difficult assignment, indeed, but have carried out that assignment in a most commendable manner.

To them, we are all indebted for the useful and challenging minority views that are appended to the committee report. I think that much of what is said—and the questions that are asked—in their minority views, needed both to be said and to be asked, and I do not wish to have the fact that I did not join in those views leave the implication in anyone's mind that I have disassociated myself from them. To the contrary, I found much therein with which I can and do agree.

However, I also found that—in general terms—my own attitudes toward our various so-called foreign-assistance programs more closely paralleled those of the other minority member of the subcommittee, the gentleman from Massachusetts [Mr. CONTEL], with whom I have joined in submitting the additional views which are also a part of the report now before you. We have sought, as the gentleman from Massachusetts has said, to be constructive in our criticism of these programs—where we have been critical—but I am sure that we both agree, and we hope a majority of the Members of this House will agree with us, that these programs must be continued at, or about at, the level as recommended in H.R. 10871, but that the Congress and the administration—working together—must continue, as they have been doing, to reevaluate and revise those programs, with ever more emphasis on the concept of "planned selectivity," as is mentioned in our additional views, with a greater emphasis on Latin America and concurrently a new look at military assistance programs for Latin America, and also with the need for establishing better methods for the use of those troubling excess foreign currencies as well as the ever-present need to find ways and means to enlist the help of private enterprise and private initiative in doing a job that needs, still, to be done.

In essence, it seems to me, our argument here again this year has 'boiled down to the question—as it always does—of how much, actually, should we agree to expend on these programs in the current fiscal year. On this point, all of us have differing ideas, although I suspect that those of us who, by our eventual votes, will express themselves as being in favor of some further reductions in the appropriation as recommended in the bill, have been looking more at past mistakes and waste in the administration of these programs, and with appropriate doubts—if not outright displeasure—over the more recent actions of certain nations who, either in the past or even still at present, have been recipients of our assistance, than they have at the successes that have been achieved, and the improvements in administration that are being made, however distressingly slow.

I thoroughly respect the views of those who feel that this bill still carries too much money, for it is not easy to determine how much is enough, or how much is too much in any such effort of this magnitude, or of this sometimes uncertain purpose.

I say this, because I confess to having had the same uncertainties—uncertainties that have been felt by the American people, many of whom have completely lost confidence in the eventual value of the overall program and have expressed that fact to us in no uncertain terms.

However, I believe it is up to this Congress to restore the confidence of the American people in this program—to make it, and its purpose, more carefully focused and therefore more clear to them, even as we attempt to clarify our own thinking about what we are trying to do—and why.

I am not at all sure that we, in Congress can do this, but we most assuredly must try. Why? Well, perhaps the answer comes as clearly as from any other source in this excerpt from a Christian Science Monitor editorial of January 16, 1965:

We repeat what we said in commenting on the state of the Union message, with all its artificial respiration for a nation in no immediate danger of drowning:

"So long as some two billion human beings beyond America's borders have little hope of their own great society, neither the American people nor the American Government can safely or conscientiously concentrate too long or too closely on their own well-being and happiness."

There are also some thoughts that might be useful here, as contributed by Mr. A. N. Spanel, founder-chairman of the International Latex Corp., in one of his familiar, paid columns of comment on issues of the day, as carried this time in the Washington Post for February 19 of this year. Mr. Spanel, in referring to what he called a "new isolationism—rearing its head in the United States"—and I am sure we all know to what he refers—said this:

Let those who make the vital decisions of this challenging time never forget that the overriding objective of world communism has been, and remains, to drive the United States to isolationism. "Yankee go home" has been the principal slogan of the Kremlin-Peking axis—and it is an axis where their common hatred of the capitalist world is concerned.

On both sides of the Iron Curtain we have witnessed systematic attacks, organized and led by Communists, against American embassies, libraries, property, and nationals. What is the purpose of this Red war of nerves? It is a continuing conspiracy to force Americans, in sheer disgust, to withdraw economic and military aid; to induce them to renounce their concern for the fate of freedom on this earth and retire in isolation to fortress America. Such a fortress makes no strategic sense under modern conditions, yet the temptation may become irresistible, when the provocations come from friends and allies.

Mr. Chairman, I believe Mr. Spanel's warning is appropriate to consider in the context of the decision we are again called upon to make—and it is largely along similar lines of reasoning that I have concluded that what we have come to call our foreign aid program must go on, and why I have also determined to support this bill as reported to us by the committee, while at the same time stressing the continuing need for reevaluation and reforms in the nature of those recommended to you by my distinguished colleague from Massachusetts [Mr. CONTEL] and myself.

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Washington [Mrs. HANSEN].

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-seven Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 268]

Adair	Griffiths	Pirnie
Andrews,	Hanna	Poage
George W.	Harsha	Powell
Ashbrook	Hawkins	Purcell
Baring	Hébert	Reifel
Berry	Hungate	Resnick
Bolton	Jones, Mo.	Roncalio
Bonner	Kee	Roosevelt
Brademas	Kornegay	Rostenkowski
Bray	Lindsay	Ryan
Cameron	McDowell	Saylor
Chelf	MacGregor	Scott
Clawson, Del	Machen	Sisk
Craley	Martin, Ala.	Thomas
Daddario	Martin, Nebr.	Toll
de la Garza	Mathias	Willis
Duncan, Tenn.	May	Wilson,
Farnsley	Nix	Charles H.
Fuqua	Pepper	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 10871, and finding itself without a quorum, he had directed the roll to be called, when 377 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose, the gentlewoman from Washington [Mrs. HANSEN], had been recognized for 25 minutes.

(Mrs. HANSEN of Washington asked and was given permission to revise and extend her remarks.)

Mrs. HANSEN. Mr. Chairman, you have heard some very eloquent and distinguished speakers this afternoon that you have heard in the last 20 years, discussing the reasons for our foreign aid and discussing the ramifications of the program.

I want to say as a new member of the committee I have enjoyed extremely serving on the committee, and I express my appreciation on behalf of the new members to the chairman of the committee for his constant courtesy to those of us who are new.

Eloquent and able speakers for almost 20 years have addressed this House on our foreign aid. They have explained the reason it came into being, its philosophy and have leveled criticisms. No program before any legislative body in the world is immune to criticism nor should be, for out of constructive criticism better administration of any program emerges. However, I do want to say that the foreign assistance program is at this time one of the basic ingredients of the U.S. foreign policy. In the broadest possible terms our national goal here is to assist in training programs for a stable world of free and prospering nations. We support this goal realizing that our own security and well-being will

be directly affected by what happens in Asia, Africa, Latin America.

The world has been steadily shrinking in size and nowhere is this more graphically illustrated than the other day when our Gemini spaceship and two astronauts spent 8 days traveling a distance of more than 4 million miles in less than 8 days.

As one of the world's wealthiest nations it has become one of our policies and a responsibility to share our abundance and particularly our abundance of know-how and technical training.

One of the great complexities of the total problem of world affairs has been the emergence of young nations into the full light of the 20th century and a competitive place within the family of nations already well established.

Compare, if you please, our own national emergence in an era of sailing ships and a frontier almost the width of the continent with that of today's nations only a few years away from tribal organizations emerging into the age of jet transportation and space development. Therefore, one of our major jobs in foreign affairs has been to try and assist these less developed areas; to help them to help themselves develop management skills for their economic and governmental potentials acknowledging the necessity for development within themselves the private sectors of their lives.

The recent termination of economic aid to Taiwan is evidence that success is obtainable.

In the course of our assistance we have received criticism and many manifestations of anger. This is not unlike the situation where parents are periodically upbraided by their children for parental deeds during childhood and adolescence. If any parent has ever escaped such a discussion with a young person, I should like to know them.

Long ago we recognized that like our own families people were people and we could expect this internationally as well as personally.

On June 18, 1953, Congressman SCOTT, of Pennsylvania, a Member of the now minority party and now a distinguished Member of the other body, made a statement in discussing our Mutual Security Act on the floor of this House:

Ingratitude is not unusual in the world and neither is gratitude. I came here to speak not of gratitude, but of wise planning to extend the frontiers of the free people and to break down the walls which enslave.

This statement is as true today as it was 12 years ago.

As a new member of the committee, I would like to speak of some of the questions and problems which trouble many members of the subcommittee who do not pretend to be experts at all.

First. We would suggest and we did suggest during the committee hearings that there be a greater degree of knowledge on the part of the Washington office on our foreign aid on the scope, day-to-day activities, planning, management and goals of field operations. There were many times when the briefing of the Washington departmental groups appearing before us was not as knowledgeable as possible.

Second. Members of the committee,

like myself often questioned the total impact on a country's own economic development when, in order to match our military aid, expenditures were made from their own very limited budget. For example, let us take a country of 3 or 4 or 5 million people with the average per capita income of that country in the range of approximately \$300 per year and then note that they have committed \$15 or \$16 million as their particular share in a defense program.

The question naturally arises: Is this defense funding from their own meager incomes curtailing activities which are mandatory to the development of a stable economy and governmental system of their own with the necessary tax reforms, necessary programing for education, public health, housing, and job opportunities?

Third. The same thing can be true, if in order to secure loans, countries overcommit themselves in this field, for again many nations can be tempted into overcommitment, then, as repayment time nears, find that they are unable to, first, take economic steps necessary for their own development; and, second, at the same time repay these loans. Has the margin of ability here to pay become so narrow that it will push the sound and needed progress in fields so vital to their maintenance as a free nation out of existence?

Fourth. Members of the committee have viewed with great misgivings and disquietude long before the Pakistan-Indian war broke out the dual armament of neighboring nations engaged in controversy.

India and Pakistan are examples—and there are others. Although our arms were lent to prevent aggression by the Communists, how possible is it for us to be sure that they cannot, at the same time, use these armaments to begin holocausts where no end can safely be foretold?

Fifth. Members of the committee also saw the anachronism of placing advanced and up to date and even elite armaments and equipment in the hands of people who did not even know the use of safe drinking water. Ultramodern defense equipment against insufficient diets makes a strange paradox.

Sixth. We are thinly spread with aid in many many nations.

These are some of the controversial and disquieting problems that your new members of the committee talked about and we would urge that the administration undertake a careful analysis of each of these facets and other maintaining a continuing and careful vigilance over them.

On the positive side of foreign operations, I would like to say that there are signs of hope and there are places where a genuine satisfaction can be felt by the American people.

Seventh. In total national planning within areas perhaps better jobs are needed. For example, ports development are not giving maximum service without coordinated transportation and vice versa—wheat on docks.

In the first place, of those emerging nations which are part and parcel of this world of 1965 and since the date of the beginning of our foreign assistance, Cuba

is the only nation which has become the captive of the Communist's Bamboo and Iron Curtain. Cuba received from fiscal year 1953 through fiscal year 1960, \$2.8 million largely in technical assistance. I might ask the question here, "Would additional technical assistance raising the levels of this impoverished nation's economy have helped to prevent this nation from becoming Communist?" Time alone will measure to what extent our foreign aid, and more than that, our sympathetic understanding of their problems have prevented their takeover in spite of criticism, ingratitude, and even the destruction of our flag and our Embassies which no American condones.

Again from the past: On June 18, 1953, Republican Congressman Vorys said:

In underdeveloped countries poverty, disease, and ignorance breed communism, not because poor people, sick people, ignorant people go Communist, but because they are more easily taken over by Communist conspiracies, infiltration, and aggression.

On this positive side of the accomplishments you will find many documented achievements. For example, in our own committee hearings the question was asked if India, with its lack of food for the people of their own nation had sufficient tillable lands to accomplish this end. The answer was "Yes" and the technical know-how and assistance in the field of agriculture was improving this situation with some rapidity.

There has been much discussion among many people for many years about our engineering procedure in the field of highway building. I was pleased this year during hearings when I asked searching questions to have the replies indicating that new procedures have been established and that these procedures are identical with those used in funding our own U.S. system of highways. Adequate justification and plans are demanded; construction carefully examined; bonding required; and more important, when I asked the question, "Are you providing for repayment of these highways out of revenues set aside for such a purpose?" the answer was "Yes." These were necessary steps.

May I say here that I would like to commend Mr. David Bell, the Director of AID, for his intelligent work on behalf of establishing better managerial and administrative procedures in this wide, controversial field of AID.

I am going to turn my particular attention now to one of the most challenging fields in which we work—that of assistance to underdeveloped countries and assistance in helping themselves; to help them establish viable institutions, with trained people. This is probably the most significant aspect of AID's program. To assist underdeveloped countries to play a productive role in economic, social and political life and the barrage of demands facing the leaders of underdeveloped countries, for in these nations there is always a staggering surplus of unskilled and illiterate labor.

School systems were inadequate or those which existed featured or were patterned after models which emphasized education for the elite. Education for youth has always depended in any nation upon the stimulation of adults. Therefore, it is not only necessary to

educate youth, but to provide for assistance in adult literacy programs.

Another major need is simple, down-to-earth training of persons responsible for their own government's management.

We know, in our own country, for example, that there was a time when a county engineer was anyone who could hold a compass and would not get lost in the woods and would plan a road that could be traveled at least 2 months of the year. Changes in this field have been immeasurable in our own Nation. Imagine, if you will, an emerging nation today confronted with the necessity first, to establish a system of justice and courts; second, a system of administration with trained administrators in fields of auditing, tax management, planning, education, et cetera; third, the development of adequate, stable, parliamentary systems.

It is in this field of education that we undoubtedly could have done more, but where we have to date made creditable progress.

During the past 3 fiscal years, AID has provided some 210,000 classrooms for 6,720,000 pupils at the elementary and secondary levels and AID projects have contributed to the education of teachers and teacher-education programs.

In Nepal, teachers who have been graduated for AID assisted teacher-training colleges represent 50 percent of this year's corps of trained teachers. The cost of this program from 1954 to 1965 was \$2,388,000 spent for teacher training and in-service training. Of this, \$1,188,000 was in dollars and \$1,200,000 in the equivalent Indian rupees.

And today, teachers in Iran trained in these schools represent 44 percent of Iranian teachers.

Ethiopian teachers trained in the AID assisted institutions constituted 30 percent of that Nation's total at a cost of \$838,000 for 2,250 teachers and 232 teacher training classrooms.

In Korea, AID assisted teacher training constituted 29 percent of that country's teacher force at a total cost of \$15,722,600 between the years of 1957 and 1961, of which \$3,722,600 was in dollars in \$12 million in local currency.

Two contracts were awarded to Washington University at St. Louis—\$1,200,000 for technical assistance to Korea University and Yonsei University and to Minnesota University—\$6,500,000 for technical assistance to the five graduate colleges at Seoul University.

In Afghanistan 25 percent of that country's corps has been AID-assisted with cumulative expenditures from November 1954 to June 30, 1965, of \$6,710,804.

In Brazil, AID assisted in establishing a training center for training educational supervisors and teacher trainers. The total number of teachers who received in-service training in AID sponsored institutions during fiscal year 1963 through fiscal year 1965 was approximately 25,000 teachers. The total cost to AID from the initiation of the program in 1957 until its termination in 1965 was \$1,657,000. Here AID's initial investment will be carried on by the Government of Brazil who has now assumed full responsibility for funding future activities.

In all of Latin America AID estimates that it has invested approximately \$20 million in in-service training cumulative to fiscal year 1965.

I have before me a clipping from yesterday's Washington Post:

LATINS GO HOME TO PLANT U.S. FARM TECHNIQUES

(By William Payne)

Eighty-three South Americans who studied American farming techniques for 5 months are returning to their villages and communities determined to plant the peasant farmers of their countries squarely in the 20th century.

While in this country, the South Americans worked in farmer cooperatives and lived with farm families. They want to sow seeds of self-reliance among campesinos, the South American peasant farmers.

They were in Washington last week, sight-seeing before going home.

Hernan Ramos, 25, of Chile, was most impressed with the independence of the American farmer.

"The American farmer does not wait for aid or expect to get it," he said. "The rural community believes in self-help. What we have to do is get our farmers to think like that."

Ramos was one of a group of Bolivians, Chileans, Colombians, Peruvians, and Venezuelans chosen by their communities and brought here by the National Farmers Union and the Agency for International Development.

They spent 5 months in Montana, Minnesota, Iowa, North and South Dakota, and Wisconsin studying farm and community organization, marketing and supply cooperatives and new methods of land tenure. Each participant spent 2 of those months living and working with an American farm family.

Women were included in the program for the first time this year. Three came from Chile and one from Peru.

Delfa Sanhuezo, an agriculture teacher in a rural Chilean school, wants to form more women's clubs in her country and to introduce more education for children in its rural communities.

The largest group came from Venezuela, which sent 21. Twenty came from Bolivia, 18 from Peru, 16 from Chile, and 8 from Colombia.

The grassroots program has covered more than 230 persons in its 3-year history. This year's rural leaders unanimously wanted the program continued and expanded.

As one Venezuelan said, "There is a great deal of pressure on the farmer by the Communists. They say that there is nothing a democracy has to teach them."

"If our people were to be able to come here to train and observe, they would be able to build a barrier against communism."

The American farm families, from towns like Odessa, Minn., and Cadott, Wis., were swept up by the enthusiasm of the South Americans.

Dr. John M. Eklund, director of the project, said, "Our rural communities never before had much to do with foreign exchange, and this grassroots campesino program gives them a good opportunity."

National Farmers Union officials said one family drove 450 miles to spend 2 hours saying goodbye to their "adopted son." Another family donated a milking machine to a South American community, and another promised to send a library of books in English to another community.

In the past 3 year period 117,150 teachers were trained, AID-training assisted, in the Far East; 55,968 in the Near East and south Asia; 83,752 in Latin America and 29,393 in Africa.

Some 4,700 secondary school teachers and university and college instructors

will receive in-service training this summer at 94 summer science institutes being held in 49 education centers throughout India. Their aid is to introduce up-to-date practical methods of teaching science and mathematics in India. Five

U.S. universities and the National Science Foundation are helping in this project. Over 200 U.S. teachers and professors will be in India participating with this program.

I am placing in the RECORD at this place tables which show the educational participation aid which I am sure may be interest to many Members of this House:

TABLE 1.—Textbooks distributed, fiscal years 1963-65
[In thousands]

Region and country	1963	1964	1965	Region and country	1963	1964	1965
Worldwide, total.....	12,343	11,585	16,935	Ecuador.....	4	3	1
Far East, total.....	7,052	5,799	9,727	El Salvador.....	650	200	200
China (Taiwan).....	7	6	5	Guatemala.....	448	680	556
Laos.....			820	Honduras.....	455	440	418
Philippines.....	6,531	3,793	2,917	Nicaragua.....	330	132	46
Thailand.....			485	Panama.....	84		346
Vietnam.....	514	2,000	5,500	Paraguay.....	35	30	35
				Peru.....	100		
Near East and south Asia, total.....	1,431	2,192	4,557	Venezuela.....	6	4	7
Afghanistan.....	8	12	16				219
Jordan ¹	16	2	1	Africa, total.....	468	599	
Nepal.....	10	517	882	Ethiopia.....	20	200	10
Pakistan.....	49	100	125	Ghana.....	3	1	2
Syrian Arab Republic.....			2	Guinea.....	1	3	
Turkey.....	1,348	1,561	3,131	Kenya.....	3	7	28
United Arab Republic (Egypt).....			400	Liberia ²	260	167	70
				Malawi.....		169	
Latin America, total.....	3,392	2,995	2,432	Morocco.....	(⁴)	4	37
Bolivia.....	230	806	53	Niger.....		32	54
Brazil.....	260	344	420	Nigeria.....	6	7	8
Costa Rica.....	140	206	350	Sierra Leone.....	182	3	5
Dominican Republic.....	650	150		Sudan.....		1	
				Tanzania.....	3	4	5
				Uganda.....		1	(⁴)

¹ Does not include 15,000 agricultural textbooks per year.

² Principally gifts from United States for which U.S. AID financed overall distribution activity.

³ U.S. AID paid freight and assisted in distribution.

⁴ Less than 500.

TABLE 2.—Classrooms built or expanded, U.S. grades 1 to 12, fiscal years 1963-65

Region and country	Number of classrooms					Pupils attending rooms ever provided (thousands)			
	1963	1964	1965	Cumulative to 1965	Cumulative as percent of total in country	1963	1964	1965	Cumulative as percent of total in country
Worldwide, total.....	56,836	61,062	39,514	210,443	-----	3,444	5,149	6,721	-----
Far East, total.....	2,383	3,676	5,751	27,303	-----	1,056	1,360	1,724	-----
China (Taiwan).....	88	30	480	1,120	3	24	25	44	3
Korea.....	1,965	1,752	2,000	14,966	19	721	908	1,063	18
Laos.....	266	172	271	2,199	60	61	67	77	55
Vietnam.....	64	1,722	3,000	9,018	37	250	360	540	30
Near East and south Asia, total.....	43,554	48,410	25,900	148,758	-----	1,554	2,528	3,350	-----
Afghanistan.....			15	25	(¹)	5	7	9	3
India.....	18,020	17,640	22,050	66,530	14	805	1,334	1,996	5
Iran.....			3	1,696	3	62	62	96	3
Jordan.....			46	113	2	1	1	2	1
Nepal.....	58	425	197	2,303	40	67	84	92	35
Pakistan.....	22,340	25,650	63,190	63,190	34	335	564	564	7
Turkey.....	30	36	70	136	(²)	1	3	5	(²)
United Arab Republic (Egypt).....	3,106	4,659	3,522	14,765	17	278	473	620	13
Latin America, total.....	3,739	4,828	6,181	17,315	-----	250	478	767	-----
Bolivia.....	373	442	89	1,100	7	17	30	33	6
Brazil.....	102	661	661	1,568	(¹)	20	73	137	(¹)
Chile.....	561	281	1,024	1,928	(¹)	25	42	91	6
Colombia.....	1,165	1,756	1,088	4,165	³ 9	53	123	166	³ 10
Costa Rica.....	39	20	11	70	(¹)	3	4	5	2
Dominican Republic.....	100	150	280	530	1	7	18	38	8
Ecuador.....	198	332	661	1,231	6	8	19	45	9
El Salvador.....	218	230	380	828	9	9	18	34	8
Guatemala.....	569	497	556	2,660	³ 21	64	84	106	(¹)
Honduras.....	8	86	304	478	(¹)	4	9	24	(¹)
Mexico.....			698	849	(²)	3	3	15	(²)
Nicaragua.....	116	97	49	262	3	5	9	11	5
Panama.....	240	204	346	790	15	8	16	28	15
Paraguay.....	50	72	34	156	3	5	10	13	4
Peru.....				700	1	19	20	21	1
Africa, total.....	7,160	4,148	1,682	17,067	-----	584	783	880	-----
Congo (Léopoldville).....		13	146	146	3		1	13	1
Ethiopia.....	447	415	458	1,320	6	21	45	70	6
Gabon.....	8	36	34	78	2		1	3	2
Ghana.....	86	8	16	318	(¹)	9	9	10	1
Kenya.....	5	26	15	56	4	1	2	2	6
Liberia.....	30	154	50	250	12	2	8	10	11
Morocco.....	3,400	800		7,555	23	338	378	378	25
Nigeria.....	12	38	6	56	(²)	(²)	(²)	1	(²)
Sudan.....	43	61	88	214	(¹)	3	5	9	5
Tanzania.....	275	750		1,025	7	4	15	15	3
Tunisia.....	2,854	1,825	810	5,967	53	206	319	367	52
Uganda.....		22	59	82	(¹)	(²)	(²)	2	(¹)

¹ Not available.

² Less than 500 or less than 0.5 percent.

³ Public schools only.

TABLE 3.—Students enrolled in assisted vocational, technical, and normal schools,¹ fiscal years 1963-65

[In thousands]

Region and country	Total			Studying teaching			Studying agriculture		
	1963	1964	1965	1963	1964	1965	1963	1964	1965
Worldwide, total.....	464.5	577.0	716.9	38.3	39.2	43.6	103.2	128.3	147.2
Near East, total.....	149.0	167.7	185.8	7.8	7.6	7.5	60.8	73.8	83.8
China (Taiwan).....	33.6	37.3	38.9	5.3	4.5	4.2	20.0	22.2	23.2
Korea.....	46.3	54.9	59.3	.1	.2	.3	17.2	24.8	29.0
Laos.....	1.6	1.8	2.0	1.1	1.3	1.4			
Philippines.....	53.5	55.9	64.7				20.1	22.5	26.3
Thailand.....	11.2	13.5	15.8	.1	.1	.2	3.3	3.7	4.2
Vietnam.....	2.8	4.2	5.0	1.2	1.5	1.5	.3	.6	1.0
Near East and south Asia, total.....	173.1	229.3	311.3	17.9	16.7	20.3	5.7	8.6	11.3
Afghanistan.....	3.4	3.7	4.2	2.7	2.9	3.4	.3	.3	.3
India.....	50.6	81.7	92.2	5.0	7.0	10.0	2.0	3.5	5.0
Iran.....	13.4	11.5	12.2	8.7	5.0	4.7	.9	1.5	2.2
Jordan.....	.4	.6	.5	(²)	(²)	(²)	.1	.1	(⁴)
Nepal.....	1.1	1.8	2.6	.5	.6	.8	.2	.4	.5
Pakistan.....	8.5	11.5	15.0	(²)	(²)	(²)			
Turkey.....	95.5	118.1	184.2	1.0	1.0	1.2	2.3	2.8	3.1
United Arab Republic (Egypt).....		.3	.3		.1	.1		.1	.1
Latin America, total.....	119.0	146.9	178.8	8.7	10.4	10.5	20.7	22.5	24.7
Bolivia.....	3.3	3.4	3.5	2.4	2.5	2.6	.1	.1	.1
Brazil.....	9.9	12.4	15.6	.7	.8	1.1	5.5	6.0	6.5
Chile.....	6.8	13.6	26.6				1.9	2.1	2.1
Colombia.....	13.9	15.4	16.2	.5	.5	.5	.1	.1	.1
Costa Rica.....	4.0	4.4	4.7	2.4	2.4	2.4	.6	.8	.8
Dominican Republic.....	15.7	18.1	23.2	.2	.5	.5	.3	.4	.5
Ecuador.....	2.4	5.0	2.9	.6	.6	.5			
El Salvador.....	.7	1.7	2.2				.1	.1	.2
Guatemala.....	.3	.4	.5						
Honduras.....	.7	.9	1.2	.2	.2	.3	.1	.1	.1
Jamaica.....	.5	.8	.7						
Nicaragua.....	1.2	2.4	2.4	.8	1.8	1.6			
Panama.....	1.0	1.1	1.0				.1	.1	.1
Paraguay.....	11.2	12.1	12.4	.2	.2	.3	.1	.1	.1
Peru.....	2.6	3.8	5.2	.6	.6	.5			
Uruguay.....	.7	.7	.7				.7	.7	.7
Venezuela.....	44.0	51.0	60.0	.1	.2	.3	11.0	12.0	13.4
Africa, total.....	23.4	33.1	41.0	3.9	4.5	5.2	16.1	23.4	27.5
Central African Republic.....			(⁴)						
Congo (Leopoldville).....	.5	.7	.7				.2	.2	.3
Dahomey.....		.7	.9					.2	.2
Ethiopia.....	1.2	1.5	1.6	.8	.8	.9	.2	.2	.2
Ghana.....	.4	.4	.6	.3	.2	.2	.1	.2	.4
Guinea.....			.3			.1			
Ivory Coast.....	.1	.3	.4						
Kenya.....	14.4	20.1	23.6				13.9	19.5	22.8
Liberia.....	.6	.7	1.0	.1	.2	.3	(⁴)	(⁴)	(⁴)
Malagasy Republic.....		.1	.2					(⁴)	.1
Malawi.....	.1	.1	.2				.1	.1	.1
Mali.....	.1	.1	.1						
Morocco.....	.1	.1	.1	.1	.1	.1			
Nigeria.....	1.2	1.6	2.1	.4	.7	.9	.7	.8	1.0
Sierra Leone.....	(⁴)	(⁴)	(⁴)				(⁴)	(⁴)	(⁴)
Somali Republic.....		.1	.6		.1	.1			
Sudan.....	2.7	2.8	3.1	1.3	1.3	1.3			
Tanzania.....	1.5	2.4	3.4	.5	.6	.7	.8	1.6	1.6
Togo.....			.1						
Tunisia.....	.1	.2	.3				.1	.1	.1
Uganda.....		.3	.4					.3	.4
Zambia.....	.4	1.0	1.3	.4	.5	.6	(⁴)	.1	.1

¹ "Normal schools" refer to teacher training schools below collegiate level.² Teaching may include some at collegiate level.³ Not available.⁴ Less than 500.

NOTE.—Detail may not add to total due to rounding.

TABLE 4.—Students enrolled in assisted colleges and universities,¹ fiscal years 1963-65

[In thousands]

Region and country	Total			Studying teaching			Studying agriculture			Studying engineering		
	1963	1964	1965	1963	1964	1965	1963	1964	1965	1963	1964	1965
Worldwide, total.....	312.7	344.3	431.4	86.9	94.4	117.7	40.3	45.9	54.4	39.3	45.8	50.1
Far East, total.....	117.9	108.8	116.4	42.8	44.1	48.4	6.7	7.9	8.8	6.0	7.5	8.4
China (Taiwan).....	9.2	9.6	10.5	2.4	2.7	3.0	2.2	2.3	2.7	3.3	3.5	3.8
Korea.....	9.0	8.4	10.1	5.1	5.0	6.8	1.4	1.2	1.2	1.8	1.6	1.7
Philippines.....	55.0	46.5	44.9	26.0	26.5	27.0	2.7	3.0	3.3	.3	.3	.3
Thailand.....	42.2	41.1	47.2	7.1	7.5	8.6	.2	1.2	1.4	.4	1.9	2.3
Vietnam.....	2.5	3.1	3.7	2.1	2.4	3.1	.1	.2	.3	.2	.3	.4

Footnotes at end of table.

TABLE 4.—*Students enrolled in assisted colleges and universities,¹ fiscal years 1963-65—Continued*

[In thousands]

Region and country	Total			Studying teaching			Studying agriculture			Studying engineering		
	1963	1964	1965	1963	1964	1965	1963	1964	1965	1963	1964	1965
Near East and south Asia, total.....	161.9	196.6	267.9	40.7	46.1	63.9	30.2	33.1	38.9	30.2	35.0	35.8
Afghanistan.....	.5	3.0	3.0	.1	.8	.8	.1	.2	.2	.2	.3	.3
India.....	45.9	50.1	53.6	.8	1.7	3.8	22.4	24.9	25.6	22.6	23.5	24.2
Iran.....	18.3	18.1	19.9	1.8	(2)	.6	.5	.5	.6	.1	.1	.2
Jordan.....	.8	.6	.5	.6	.4	.5	.2	.1				
Nepal.....	.2	.2	.2	.2	.2	.2						
Pakistan.....	4.2	5.2	6.7	.9	1.2	2.5	1.9	2.6	2.8	1.4	1.5	1.5
Syrian Arab Republic.....	24.5	31.3	32.0	.3	.4	(3)	.3	.6	(3)	1.3	1.5	(3)
Turkey.....	67.6	88.2	100.1	35.9	41.5	49.2	4.7	4.2	5.3	4.7	8.3	7.1
United Arab Republic (Egypt).....			51.9			6.4			4.5			2.8
Latin America, total.....	27.1	31.5	37.6	2.8	2.9	3.7	2.8	4.1	5.6	2.6	2.8	5.3
Argentina.....	1.7	2.7	3.2	.2	.3	.3	.1	.2	.3	.2	.3	.4
Bolivia.....	3.1	3.2	4.2	.8	.8	.9						
Brazil.....	1.6	2.9	5.6				.8	2.0	3.0	.4	.5	2.3
Chile.....	1.5	1.8	2.0				.1	.1	.1	.5	.5	.6
Colombia.....	.4	.6	.7									
Costa Rica.....	1.9	1.9	1.9	.7	.7	.7	.1	.1	.1	.3	.2	.2
Ecuador.....	8.7	9.9	10.4				.2	.2	.2	.9	.9	1.3
Jamaica.....			.4			.4						
Nicaragua.....	.2	.3	.5	.2	.3	.5						
Panama.....	1.7	1.9	2.1	.2	.3	.3	.1	.1	.1	.3	.4	.4
Paraguay.....	3.8	3.9	3.9				.1	.1	.1			
Peru.....	1.4	1.4	1.7				1.0	.9	1.2	.1	.1	.1
Uruguay.....	.4	.4	.5				.4	.4	.5			
Venezuela.....	.6	.7	.7	.6	.7	.7						
Africa, total.....	5.8	7.5	9.5	.7	1.3	1.7	.6	.8	1.0	.4	.5	.6
Congo (Léopoldville).....	1.4	2.0	2.2	.1	.3	.4	(4)	(4)	.1	.1	.2	.2
Ethiopia.....	.4	.5	.6	.1	.1	.2	.2	.2	.1			
Kenya.....	.8	.9	1.0				.3	.3	.4	.2	.2	.2
Liberia.....	.5	.5	.6	.1	.1	.1	(4)	.1	.1			
Malawi.....	.1	.1	.1	.1	.1	.1						
Nigeria.....	1.3	2.0	2.9	.2	.2	.3	.1	.2	.3	.1	.2	.2
Sierra Leone.....	.5	.7	.8	(4)	.2	.3			(4)	(4)	(4)	(4)
Tanzania.....	(4)	.1	.2			.1						
Tunisia.....	.8	.7	1.0	.1	.1	.1						

¹ In many cases, courses run for less than 4 years.² A school was closed.³ Not available.⁴ Less than 500.

NOTE.—Detail may not add to total due to rounding.

TABLE 5.—*Adults provided literacy training, fiscal years 1963-65*

[In thousands]

Region and country	1963	1964	1965	Region and country	1963	1964	1965
Worldwide, total.....	2,251	4,478	5,588	Latin America, total.....	107	237	157
Far East, total.....	18	16	9	Bolivia.....	7	25	430
China (Taiwan).....	18	16	9	Brazil.....	1	1	4
Near East and south Asia, total.....	2,070	4,168	5,400	Dominican Republic.....		99	
Afghanistan.....	(1)	(1)	(1)	El Salvador.....	19	21	28
Iran.....	475	307	300	Guatemala.....	69	76	75
Pakistan.....	40	60	100	Honduras.....	11	15	16
Turkey ²	1,554	3,800	5,000	Peru.....			4
United Arab Republic (Egypt) ³	1	1		Africa, total.....	56	57	22
				Kenya.....		(1)	1
				Mali.....	55	55	(5)
				Nigeria.....	1	2	3
				Uganda.....			18

¹ Less than 500.² Done jointly with joint U.S. mission for military assistance to Turkey.³ Experimental TV program.⁴ Includes 5,000 under Public Law 480, title II.⁵ Not available.

TABLE 6.—Teachers graduated from assisted institutions, fiscal years 1963-65

Region and country	1963	1964	1965	Cumulative to 1965	Cumulative as percent of total in country
Worldwide, total	38,702	40,899	44,429	213,563	
Far East, total	12,211	12,481	13,481	101,606	
China (Taiwan)	2,951	2,632	2,863	17,551	23
Korea	2,246	2,327	2,436	33,328	29
Laos	301	394	400	1,379	31
Philippines	2,900	2,950	3,100	28,000	(1)
Thailand	2,585	2,873	3,250	8,708	5
Vietnam	1,228	1,305	1,432	12,640	39
Near East and south Asia, total	21,245	22,320	23,247	85,733	
Afghanistan	189	283	312	1,740	25
India ²	580	714	1,040	2,334	(1)
Iran	7,288	4,810	4,241	28,800	44
Jordan	493	444	534	2,629	36
Nepal	498	630	834	4,258	50
Pakistan	4,440	5,296	6,290	18,025	9
Turkey	7,757	10,143	9,996	27,947	10
Latin America, total	4,037	4,451	5,653	19,004	
Argentina	28	50	68	146	(2)
Bolivia	1,034	904	1,000	2,560	13

Region and country	1963	1964	1965	Cumulative to 1965	Cumulative as percent of total in country
Brazil	615	737	1,007	5,623	(1)
Colombia	88	226	365	699	(1)
Costa Rica	1,270	1,270	1,270	3,810	27
Dominican Republic	60	148	208	416	(1)
Ecuador	89	92	75	467	(3)
Honduras			70	70	(1)
Nicaragua	208	319	797	1,373	31
Panama	83	46	83	1,100	(1)
Paraguay	235	217	225	677	6
Peru	145	157	149	1,160	2
Venezuela	182	285	336	4,903	(1)
Africa, total	1,209	1,647	2,048	7,220	
Congo (Léopoldville)	15	27	70	112	(2)
Ethiopia	163	345	295	2,250	30
Liberia	57	30	77	329	12
Malawi			3	3	(1)
Morocco		48	46	94	(3)
Nigeria	107	167	400	674	(2)
Sierra Leone	7	51	88	146	5
Sudan	630	630	650	2,565	(1)
Tanzania	200	235	269	704	(1)
Tunisia	30	39	50	108	(1)
Zambia		75	100	175	10

¹ Not available.² Less than 0.5 percent.³ Total college level only; data not available on number graduated from schools below college level.⁴ Total for 3 years; cumulative total not available.

TABLE 7.—Teachers provided in-service training, fiscal years 1963-65

Region and country	1963	1964	1965
Worldwide, total	85,256	103,933	97,104
Far East, total	39,957	38,723	38,470
China (Taiwan)	2,500	2,000	1,230
Korea	1,529	416	380
Laos	300	500	500
Philippines	32,923	35,000	35,000
Thailand	2,445	507	560
Vietnam	260	300	800
Near East and south Asia, total	11,367	20,932	23,699
Afghanistan	1,050	1,160	1,300
India	160	2,000	4,000
Iran	3,583	5,063	5,000
Jordan	360	360	360
Nepal	1,644	6,823	7,348
Pakistan	1,100	1,785	2,265
Syrian Arab Republic	14	40	20
Turkey ¹	3,406	3,651	3,406
United Arab Republic (Egypt) ²	50	50	
Latin America, total	25,835	35,520	22,397
Bolivia	174	818	605
Brazil	7,646	8,807	8,558

Region and country	1963	1964	1965
Latin America—Continued			
Colombia	10,317	10,857	3,254
Costa Rica	520	7,180	2,910
Dominican Republic	3,730	1,865	
Ecuador	175	230	345
El Salvador	337	1,800	2,000
Guatemala	164	194	450
Honduras	700	606	900
Nicaragua	1,135	1,495	1,307
Paraguay	204	935	1,194
Uruguay		27	27
Venezuela	733	706	847
Africa, total	8,097	8,758	12,533
Congo (Léopoldville)	292	335	250
Ethiopia	352	417	500
Ghana	15	20	25
Kenya		175	250
Liberia	2,200	1,700	1,900
Mali	65	80	95
Morocco	116	125	115
Nigeria	4,000	4,600	17,150
Sierra Leone	673	1,050	2,113
Sudan	334	126	50
Tanzania	50	80	90

¹ Includes correspondence courses.² Experimental TV program.

In many nations the critical shortage of textbooks has been a major block to better education. I have had the personal privilege in my own district of rounding up textbooks to send on a completely cost-free basis to the taxpayers to a small segment of the Philippines. Their joy in receiving these textbooks was overwhelming.

In the Philippines, AID is stimulating the expansion of the publishing and printing industry in the textbook area providing paper and paper products to be used by local industry printers in publishing textbooks. By 1963 approximately 21 million elementary and secondary texts have been published and an additional 6 million were published in fiscal year 1965.

Similar programs are being conducted in Latin America, chiefly in the Central American Republics. Over 8 million elementary and secondary school texts have

been published in the last 3 years in Central America through AID assistance. It is interesting to note that paper and paper products from all sections of the United States have been used in these textbooks.

Boise Cascade, Portland, Oreg., and Vancouver, Wash., shipped \$312,194 worth of paper products; Kimberly-Clark, Munsing, Mich., shipped \$28,029; the Fiber Board Corp., Ripon, Calif., shipped \$17,035.

It is very interesting to note and to ponder on one small facet of this textbook industry. Can you imagine what development will appear in the future as the level of education is raised from the 4th to the 5th to the 6th and so on? Can you imagine how much more consumption there will be of these products as well as providing the necessary doors of knowledge for persons securing an education?

Let us turn to special programs such as the Turkish armed forces literacy training project which has trained thousands of adults. Since the beginning of this project in Turkey in 1959, 14 textbooks and teachers manuals and 40 supplementary reading books were developed and a total of 2 million other books have been printed and distributed; 4,200 other teachers have been trained at 16 different teacher training centers with a combined capacity for teaching 60,000 to 70,000 recruits each year.

I would also like to bring to the attention of this House an example of an educational project which covers several aspects. In 1950, 4 years before the AID program began, Nepal had no national university, no teacher training institutions. Only 1 child in every 200 was in school and only 2 percent of the Nepalese people could read and write.

The Government of Nepal, with U.S. advice and assistance, began in 1954 to concentrate its efforts on a three-way educational program. The University of Oregon contracted for the teacher-training portion. Nepal's first teacher training center was established in Katmandu in 1954. Two years later mobile normal school teams were organized to carry teacher training into the hinterlands. There followed annual in-service training programs and subsequently a total of more than 3,500 primary school teachers were trained by the normal school staff, and a normal school organization established capable of turning out 1,000 to 2,000 teachers per year as needed. As a result, since 1954 primary school enrollment has risen from 26,000 to 254,000 and the percentage of primary-age pupils from 2 percent to over 19 percent.

You will be interested to know that cost to the University of Oregon from 1954 to September 30, 1959 when the contract expired was \$640,000. You will also be interested to know that AID had provided \$2,018,000 for the primary education project in Nepal between fiscal year 1955 and fiscal year 1965, most of which went for construction of schools. This amount also included some funds for professional work and for provision and distribution of curriculum materials.

In Nepal also a bureau of textbook publications was established and it produced 55 different titles and 225,000 pieces of educational literature in its first 5 years.

In the adult education field, more than 2,400 part-time teachers and field workers were trained for literacy education. Finally a national university was established with colleges of liberal arts and science, agriculture and forestry, education, law, nursing and medicine and finally, the number of schools from fiscal year 1955 through 1963 increased from 921 to over 5,000.

In Chile, President Frei announced his determination to do all he could to insure classrooms for every child. In the school year starting in March 1965, his campaign began, parents were urged to register their children, assistants and social workers were employed to assure such registration and the result of this effort was an increase of 186,000 in registration over last year. The total number of children accommodated in primary grades in 1965 was, 1,135,000. At the same time it was a strain on the teacher program. Accordingly the drive began to increase the number of teachers. Recent accounts indicate there will be 5,000 new teachers this year and the Government set 2,000 additional classrooms as its new construction goal which was exceeded by more than 50 percent and a total of 3,136 classrooms were expected to be available at the opening of the school term in March. Here it was

interesting to note that this was an example of what can be done in a country with little outside assistance when a Government is ready to move ahead on its own.

In addition the Government is expanding its scholarship program and plans an extension of both a daily breakfast and school lunch as well as a basic school kit for each child.

In the fields of vocational, technical and managerial education the challenge has been particularly pressing in Africa.

AID programs in Africa have been therefore somewhat unique in having a greater than usual number of projects almost exclusively consisting of training.

For example, in fiscal year 1964 about 34 percent of the AID financed participants trained in the United States came from African countries in contrast with the fact that our African programs received approximately one-tenth of AID's total economic assistance obligations that year. Steps have been undertaken in several African nations with the cardinal aim of projects to provide U.S. assistance in such a manner that institutions can stand on their own feet and be staffed by Africans as soon as possible.

Nigeria provides a good example of AID assistance in developing local education and training institutions designed to meet African development needs. The University of Nigeria opened its doors in 1960 and by October 1964, was serving an enrollment of 2,445 full-time degree students in its regular programs and an additional 2,000 students in its continuing education center.

In Africa great strides have yet to be made in the field of literacy for the average literacy rate for African countries including South Africa is 16 percent.

The development of skilled labor is another field. Assistance in expanding hospital services is always accompanied with the need for training of technicians and persons to carry on the operation of such services.

HEALTH

For example, the shortage of medical and paramedical school graduates in Thailand has been a deterrent to improved health. U.S. assistance under earlier completed programs was focused on strengthening medical schools and related institutions. Concern with the north and northeast regions of Thailand has resulted in an effort to reach the rural population. In the northeast, AID is assisting the Thai Government to establish village health and sanitation programs covering the northeast villages by the end of 1966 and 6,000 villages outside the northeast by the end of 1965.

Diseases associated with poor sanitation are Thailand's most serious health problem. In 42,000 villages where 85 per-

cent of the population lives, the sanitarians work directly with the villages through health committees organized at the village level.

Since 1960 village health and sanitation programs have been started in 4,000 or more than 10 percent of the Thai villages. In 1965, 2,100 villages will be added to the program. Two hundred more sanitarians will be given preservice training. At the close of fiscal 1966, when U.S. assistance to this project phases out, the Thai Government will have a sufficient number of trained personnel to expand this project to the remaining Thai villages without assistance.

Malaria, known as "the Ancient Curse" in Thailand has been one of the worst plagues known to man. While the United States at a total cost of \$54 million in a 12-year campaign successfully eradicated malaria 15 years ago, worldwide cases were estimated at that time between 200 and 300 million, with between 2 and 3 million deaths a year.

Half of mankind, almost 1.4 billion people live in areas where malaria was a serious problem. Substantial AID assistance has gone into training for this work. The worldwide campaign is proving increasingly successful. Since 1958 U.S. assistance through AID has been provided \$235 million; though setbacks have occurred and both mosquito and parasite resistance to chemicals have affected numerous areas, only a small percentage of the population at malaria risk lives where special problems are preventing an effective attack.

Of more than 1.4 billion people in originally malarious areas who reported at the end of last year that nearly 450 million are now in areas where malaria eradication can be claimed and another 340 million where malaria transmission has been eliminated and remaining cases are being detected and treated in a surveillance program.

India is an example of what has been achieved with U.S. financial and technical assistance. Determined Indian leadership and effective administration has made possible the reduction from an estimated 70 to 80 million attacks of malaria per year in 1953, to less than 60,000 laboratory confirmed cases in 1962. In other words, in this country, with 481 million population originally at malaria risk, 220 million are now in areas freed of malaria, 182 million where malaris transmission has been stopped and only 79 million still require active protection by DDT spraying.

I am attaching here a summary of some of the facilities under the AID program and I particularly emphasize that you look at the water supply facilities; sewage facilities and the distribution of fertilizer for improved agriculture.

Worldwide total physical accomplishments under AID programs, fiscal years 1963-65 and calendar years 1962-64

Accompanying table No.	Accomplishment	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965	Cumulative to 1965 (selected items)	Accompanying table No.	Accomplishment	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965	Cumulative to 1965 (selected items)
1	Textbooks distributed (thousands).....	12,343	11,585	16,935	-----	14	People protected from malaria (thousands).....	-----	-----	-----	691,325
2	Classrooms built or expanded (U.S. grades 1 to 12):	-----	-----	-----	-----	15	Acres newly irrigated (thousands).....	567	663	857	50,024
	(a) Classrooms.....	56,836	61,062	39,514	210,443	16	Acres reclaimed (thousands).....	138	256	1,335	3,050
	(b) Pupils attending rooms ever provided (thousands).....	3,444	5,149	6,721	6,721	17	Fertilizer distributed (thousand tons).....	1,017	1,332	1,915	-----
3	Students enrolled in assisted vocational, technical and normal schools (thousands): ¹	-----	-----	-----	-----	18	Pesticides distributed (thousand tons).....	17	10	14	-----
	(a) Total.....	464.5	577.0	716.9	-----	19	New or improved seed distributed (thousand pounds).....	15,976	20,786	11,723	-----
	(b) Of which, studying—	-----	-----	-----	-----	20	Industrial facilities completed or expanded:	-----	-----	-----	-----
	Teaching.....	38.3	39.2	43.6	-----		(a) New facilities:	-----	-----	-----	-----
	Agriculture.....	103.2	128.3	147.2	-----		Powerplants.....	3	12	25	-----
4	Students enrolled in assisted colleges and universities (thousands): ²	-----	-----	-----	-----		Manufacturing plants.....	222	207	310	-----
	(a) Total.....	312.7	344.3	431.4	-----		Under investment guaranty program.....	6	11	21	-----
	(b) Of which, studying—	-----	-----	-----	-----		(b) Capacity added:	-----	-----	-----	-----
	Teaching.....	86.9	94.4	117.7	-----		Kilowatt generating capacity (thousand kilowatt-hours).....	245	314	1,458	-----
	Agriculture.....	40.3	45.9	54.4	-----		Tons cement (thousands).....	-----	360	631	-----
	Engineering.....	39.3	45.8	50.1	-----		Tons fertilizer (thousands).....	11	20	128	-----
5	Adults provided literacy training (thousands).....	2,251	4,478	5,588	-----		(c) Annual output of facilities ever assisted:	-----	-----	-----	-----
6	Teachers graduated from assisted institutions, total (thousands): ³	-----	-----	-----	-----		Millions kilowatt-hours.....	7,623	10,357	14,995	-----
	(a) College trained.....	19.0	21.3	22.6	120.4		Tons cement (thousands).....	853	1,000	1,471	-----
	(h) Other.....	14.7	13.7	14.7	68.2		Tons fertilizer (thousands).....	202	379	519	-----
7	Teachers provided in-service training (thousands).....	85.3	103.9	97.1	-----	21	Investment surveys (as of Apr. 30, 1965):	-----	-----	-----	-----
8	Dwelling units built:	-----	-----	-----	-----		(a) Surveys in process.....	-----	-----	-----	65
	(a) Dwelling units.....	96,064	141,839	123,264	-----		(b) Surveys completed.....	-----	-----	-----	47
	(b) People benefited from units completed in year (thousands).....	553	795	680	-----		Decision not to invest.....	-----	-----	-----	33
9	Doses of vaccine and other medication distributed (thousands).....	67,718	58,574	48,670	-----		Decision to invest (number).....	-----	-----	-----	14
10	TB tests given (thousands).....	687	811	822	-----		Capital generated (thousand dollars).....	-----	-----	-----	28,940
11	Health facilities provided:	-----	-----	-----	-----	22	Miles of road built or improved:	-----	-----	-----	-----
	(a) New facilities:	-----	-----	-----	-----		(a) Paved.....	2,956	3,840	3,376	-----
	Beds in hospitals.....	5,852	3,790	9,848	-----		(b) With gravel, crushed stone, etc.	3,423	4,305	7,255	-----
	Primary health centers.....	947	738	721	-----		(c) Earth roads graded and drained.....	23,275	41,346	44,368	-----
	Health subcenters.....	2,437	1,670	1,528	-----	23	Miles of railroad route built or improved.....	231	527	316	-----
	Mobile units.....	21	69	25	-----	24	Agricultural credit institutions:	-----	-----	-----	-----
	(b) Visits to facilities ever assisted (thousands): ³	241,831	269,652	297,959	-----		(a) People receiving loans (thousands).....	1,801	1,956	1,950	-----
	Hospitals.....	10,396	12,186	13,505	-----		(b) Value of loans made (thousand dollars).....	172,702	237,285	311,415	-----
	Health centers and subcenters.....	161,243	183,630	208,254	-----		Calen- dar year 1962	Calen- dar year 1963	Calen- dar year 1964	Cumu- lative to Dec. 31, 1964	
	Mobile units.....	94	655	986	-----	25	Industrial credit institutions: ⁵	-----	-----	-----	-----
12	Water supply facilities provided:	-----	-----	-----	-----		(a) Firms receiving loans.....	248	1,345	477	2,776
	(a) New facilities:	-----	-----	-----	-----		(b) Value of loans made (thousand dollars).....	14,558	33,561	22,263	132,890
	Rural wells.....	57,943	34,371	36,310	-----	26	Savings and loan associations:	-----	-----	-----	-----
	Village water distribution systems.....	9,269	10,810	13,183	-----		(a) Associations established.....	60	22	3	85
	Urban water distribution systems.....	86	137	156	-----		(b) New members (thousands).....	54	92	96	251
	(b) People benefited from facilities ever provided (thousands): ³	45,988	75,823	105,887	-----		(c) Value of savings (thousand dollars).....	10,662	32,510	64,447	111,399
	Rural wells.....	24,343	27,421	30,465	-----		(d) Homes financed.....	5,552	10,161	12,617	28,355
	Village water distribution systems.....	11,297	23,000	37,308	-----	27	Credit unions:	-----	-----	-----	-----
	Urban water distribution systems.....	10,348	25,327	37,814	-----		(a) Credit unions established.....	-----	-----	-----	1,483
13	Waste disposal facilities provided:	-----	-----	-----	-----		(b) New members (thousands).....	-----	-----	-----	388
	(a) New facilities:	-----	-----	-----	-----		(c) Value of savings, net (thousand dollars).....	-----	-----	-----	16,844
	Rural latrines.....	143,492	141,298	220,042	-----		(d) Value of loans made (thousand dollars).....	-----	-----	-----	47,397
	Village sewer systems.....	2,119	2,908	4,293	-----						
	Urban sewer systems.....	33	40	27	-----						
	(b) People benefited from facilities ever provided (thousands).....	5,208	12,623	22,115	-----						
	Rural latrines and village sewer systems.....	4,326	9,100	15,083	-----						
	Urban sewer systems.....	882	3,523	7,032	-----						

¹ "Normal" schools refer to teacher training schools below collegiate level.² In many cases, courses run for less than 4 years.³ Total is greater than the sum of the parts because in some countries the breakdown was not available.⁴ Of total, about 60 percent for smallpox and 30 percent for cholera.⁵ Includes only those industrial development institutions which received dollar loans; does not include the assisted with dollar grants or local currencies. Calendar year 1962 is for April to December 1962.⁶ Represents cumulative total of loans made in 6 countries, and the value of loans outstanding in 7.

And now I want to speak very briefly on one of the most helpful programs we have in the world. It is a program of which I am intimately acquainted in my own country for I had the privilege of graduating in the field of nutrition from my own State university. Malnutrition has long been one of the leading deterrents to human progress. It is a deterrent to the social development of a nation. It is a deterrent to the basic economic development of a nation and the

abolishment of malnutrition and the establishment of good nutrition is of substantial impact to the social progress of our entire world as well as to economic progress.

Every parent knows that "picky children" who refuse nourishing food at home eventually can establish good eating habits in a well-planned school hot lunch. I think many men fail to realize that these children eating our school lunch programs here and around the

world are tomorrow's consumers and the economic future of our agriculture is dependent upon the establishment of these good eating habits.

May I note here the importance of our food for peace program. Of the 100 million recipients of our donated foods, 70 million are children, including more than 40 million in organized national school lunch programs. Through the Alliance for Progress child feeding program, for instance, 1 out of every 4 school-age

children in Latin America is receiving food commodities from people in the United States ranging from powdered milk to full-scale lunches. The effect of the hot lunch program has been evident in Santiago, Chile: Third graders showed an 8-pound weight increase after the first 4 months of the hot school lunch program.

Now I want to talk just a moment about relative costs. The program before us today is expensive, yes, and to the average taxpayer it represents a burden and a sacrifice to help nations of this world, particularly those who are ungrateful as I mentioned earlier.

The daily cost of economic aid from American taxpayers is \$6 million. The per capita per year to each person in the United States is \$17.34 per year for economic aid or .031 cents per day per person. For combined economic and military AID it is .04775 cents per day.

These costs standing alone are not quite fair in themselves. Let us compare these costs with some other costs which I have picked at random.

I was intrigued by what the national costs of war are and so I have obtained from the Defense Department some figures dating back 100 years.

For example, the cost per day to the taxpayers of the Union alone for the Union Army during the Civil War which began April 12, 1861, and continued until May 26, 1865, was \$2,271,096. In addition to the financial costs, let us take the human cost of 1 day's battle. In the Battle of Fredericksburg on December 13, 1862, from the Union Army there were 10,000 casualties out of 122,000 participating. The Confederate Army had 78,500 in that battle with 5,209 casualties.

The Spanish-American War, which lasted 103 days, cost us \$127,400,000 or \$1,236,893 per day and yet this is very often referred to as a "small war."

World War I, which lasted a total of 580 days, cost the United States, including aid to allies, \$55,310,805 per day. The casualties of that war, both allies and enemies, was estimated in the military between 27,805,000 to 30 million. The civilian casualties in that same war are estimated at 9,349,000 to 12,618,000.

World War II which lasted a total of 1,361 days beginning with the United States participation on December 7, 1941, to September 2, 1945, cost the United States, including lend lease, a total of \$317.6 billion or a cost per day of \$226,010,187. The cost per person here in the United States was \$1.99 per day. The casualties of that war in both theaters, United States, allies, and enemies was militarily between 30,678,000 to 47,210,000; civilian casualties, 24,800,000 to 35,112,000. The estimated number of Jewish people killed by the Nazis vary from 4,194,300 to 6,034,500.

On D-day, June 6, 1944, 70,500 American forces were committed in that single day of battle and there were 6,603 casualties.

The Korean war which cost the lives of 1,245 Americans cost the United States alone \$18 billion for military costs in Korea.

Now let us look at a related war cost. The cost of the Veterans' Administra-

tion medical services in fiscal year 1965 was \$1,201,897,328 in addition to \$81,298,876 for hospital facilities construction which totals, \$1,283,196,204 in fiscal year 1965. The average cost per day would be \$3,515,606 and not one of us begrudges 1 cent of this.

In these costs, you will note I have made to mention of material or property destruction costs.

The amount appropriated for expenditure for the space program for fiscal year 1966 is \$14,300 million. Therefore, the average cost per day must be \$39,150,712.

In another category of our national expenditures, the people of the United States last year, and I do not mean this critically, spent a total of \$13,600 million for liquor. The per capita cost is estimated at \$58 and tobacco cost us \$43 per person. The cost per person per day for tobacco is 0.118 cents; the cost for liquor per person per day is 0.159 cents per person per day.

Against that again I would like to call attention to the grand total for economic and military aid at 0.04775 per person per day, and to say as the gentlemen said on June 18, 1953, "Mr. Chairman, this is an arm of our foreign policy."

May I suggest that each and every Member of this House of Representatives read the hearings of this subcommittee and study some of the tables presented.

Mr. Chairman, I have tried to present these figures so that Members might have some conception of relative costs. May I say this on behalf of the subcommittee, we have tried carefully to do our best for our present national policy in measuring and funding this program.

I would also like to add a personal footnote. Not long ago I stood on the battlefield at Yorktown and as I looked out on that field, I could not help but be reminded of another nation who could probably ill afford at that particular moment to spend funds for the armaments, ships and men which made the difference between our defeat or victory. I was forcibly reminded again of this sharing of this assistance which gave a poor, struggling nation our own independence.

[Source: "The Congressional Anthology," 1955, p. 117]

"No man is an island, entire of itself;
Every man is a piece of the continent,
A part of the main;
If a clod be washed away by the sea,
Europe is the less,
As well as if a promontory were,
As well as if a manor of thy friend's
Or of thine own were;
Any man's death diminishes me,
Because I am involved in mankind;
And therefore
Never send to know for whom the bell tolls;
It tolls for thee."

—John Donne.

(Mr. HALEY asked and was given permission to extend his remarks at this point in the Record.)

Mr. HALEY. Mr. Chairman, it has long been recognized that actions speak louder than words, and it seems plain to me that the actions of India and Pakistan speak more loudly and more clearly than could millions of words, concerning the futility of this country's slavish de-

votion to its "open checkbook" foreign policy.

That open checkbook foreign policy is symbolized by the annual multibillion dollar appropriation for international development—or foreign aid—or mutual security—which we are asked to approve here today. But I say that this bill does not carry money for the purposes implied by the names this program has had over the years. The funds we are asked to appropriate are, as far as their value to us is concerned, nothing more nor less than a dole, a handout to foreign nations in the hope that, somehow, we can buy their friendship, or at least their support in a crisis.

It must be embarrassing indeed for those, in the administration and in the Congress, who so loyally persist in this wasteful diversion of the taxpayers' dollars to have this war—for it is that, whether declared or undeclared—between India and Pakistan break out, and expose the truth about the futility of foreign aid, at the very moment we are confronted with this \$4 billion-plus bill. And I sympathize with their plight.

But I have for years had a great deal more sympathy for the plight of the taxpayers, who are called on to foot this monstrous annual cost and its contribution to our ever-increasing burden of national debt. And I would hope that this Far Eastern conflict, which threatens to destroy the already uneasy peace of the entire world, would at least awaken the consciences of those public officials who believe, or seem to believe, that "dollar diplomacy" is our answer to all of the ills of the world, including the threat of a disastrous nuclear war.

As all of us know, India and Pakistan have been among the major beneficiaries of our program of handouts in the name of foreign aid. This year, the United States has pledged to give \$435 million in economic aid to India and \$212.5 million in economic aid to Pakistan, if I remember my figures correctly.

The extent of military aid to these two countries is classified, but the authoritative estimate is that in the past decade, Pakistan has received \$1.2 billion in military assistance. India, by the same estimate, has received only about one-tenth of that amount. But India has received vast amounts of economic assistance during the decade, and thus has been enabled to devote a greater share of her own finances to defense spending.

So, what have we derived, of benefit to ourselves, from these huge outlays? I cannot say what we have had of benefit—but I can say that the situation as it stands today has made us look ridiculous in the eyes of the entire world.

Only yesterday, our State Department conceded that U.S. military equipment is being used in the fighting between India and Pakistan—by both sides. Moreover, while Pakistan apparently is using jet aircraft and modern tanks furnished by the United States—and using them against India contrary to the terms of her aid agreement with our Government—the State Department blandly refuses to criticize Pakistan for this vio-

lation, much less to indicate that any formal action in the matter is being contemplated.

Said State Department Press Officer McCloskey:

We are concerned that U.S. military equipment is being used.

The depth of that concern was indicated when the United States informally suspended military aid to both Pakistan and India but did nothing to curtail economic aid.

It is nice for the people to know that there is official concern about this misuse of the aid they have been furnishing by these two countries. It is perhaps less happy for them to know that no official action is being taken to curtail economic aid to those who misuse it. It occurs to me that it might be well to write into this year's foreign aid money bill a mandatory bar to further aid to Pakistan and India, as in the past we have curbed aid to nations of the Communist bloc.

The blunt truth is that the hundreds of millions of dollars we have given these countries has equipped them to mount war against each other. At the least, this war will drain the very economies we paid so much to develop. At the worst, it can touch off a fuse which will ignite a nuclear holocaust which will destroy the world itself and all mankind.

I will not belabor my point further. It is too obvious to need that. But I feel impelled to point out to those of my colleagues, who may not have read what was said the other day by Federal Reserve System Chairman William McChesney Martin, what this widely recognized expert on fiscal matters thinks about foreign aid as it now operates.

Governor Martin, appearing before a Government Operations Subcommittee of the other body, made no bones about his opinion that we cannot safely carry this load longer without endangering our economy. He said bluntly that the United States is—and I quote—"carrying too large a load" in the area of foreign aid and international development. He said—and I quote again: "I think we ought to put on all the pressure we can to get our friends to do more than they are doing—to assume a greater share of the overall problem of development" of the less wealthy nations.

I find what Chairman MARTIN said very interesting, because it happens to be a part of what I have been saying for a good many years now. And I regard what he said as being of high significance because he not only is the first high-ranking official of this or any preceding administration to make such a public acknowledgement, but because he is one of the Nation's recognized fiscal authorities.

I am sorry to say that the bill which we debate today indicates that my distinguished colleagues of the Appropriations Committee have not pondered Chairman MARTIN's warning that this foreign aid program is too burdensome for our economy.

We are asked to approve a new foreign aid outlay of slightly more than \$4 bil-

lion. It is true that this represents a cut of 4.4 percent in the administration's requested budget. But it also happens to be 2.83 percent more than was appropriated for the last fiscal year.

I do not think that now is the time to turn upward in the trend of our appropriations for foreign aid. I would not think so even if I thought the program to be worthwhile, which I emphatically do not. I am opposed to this bill as it is submitted to us.

(Mr. JOELSON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JOELSON. Mr. Chairman, the AID emphasis on rural development has been one of the key factors in preventing Communist takeovers in parts of southeast Asia and in other developing countries.

It is no secret that the Chinese Communists have marked northeast Thailand as their next target. For months, Communist agents from outside of Thailand have been infiltrating the northeast region and recruiting local bandits to assist them in a campaign of subversion and intimidation.

AID plans for fiscal 1966 call for an accelerated rural development program in northeast Thailand to expand communication lines and roads, build schools, irrigate lands, establish health programs, and conduct police training.

AID will support Thai efforts to farmers in the northeast by building a strong extension service and conducting agricultural research. The Thais are attempting to increase the number of agricultural extension agents from 1 for every 13,000 farms in 1963 to 1 for every 2,000 farms by 1967. A new service will handle classes for hundreds of student farmers.

Studies now underway are aimed at finding means to establish light industries in the northeast and to set up irrigation and flood control projects in two major river basins.

Another part of our aid will focus on training and equipping Thailand's 6,300-man mobile border patrol police and strengthening the counterinsurgency capability of the provincial police. In addition, AID will support training programs for nearly 3,000 local officials and village teachers and help supply 500,000 elementary school students in the border provinces with improved textbooks.

DDT and spray equipment will be supplied to help control malaria and technical help will continue on a project to train doctors and nurses in the rural areas.

Last year, the Thai Government contributed more to the cost of AID development projects than we did.

Rural development in southeast Asia is proving everyday that freedom can deliver what communism can only promise and disrupt—that free choice works better than coercion. It is a battle fought not with guns, but with ideas and hard work.

(Mr. FARNUM asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FARNUM. Mr. Chairman, on

August 17, the Alliance for Progress observed its fourth birthday. President Johnson marked the occasion by rededicating our Nation to the spirit and the letter of the Charter of Punta del Este which in 1961 launched a bold and unique working partnership between the United States and 19 Latin American countries. At the same time, the President urged our partners in the Alliance to form a common market toward the improvement of rural life and agriculture for Latin America's 225 million people.

Four years is not a very long time—but in this brief span the Alliance for Progress has scored many solid achievements—achievements that have more than justified the vision and faith of the late President Kennedy who conceived the Alliance as a 10-year cooperative effort to provide the basic needs of the Latin American people for homes, work, land, health, and schools.

The Alliance rests on the commitment of the Latin Americans to undertake strong self-help measures; to mobilize their own resources, and to face the hard and painful decisions that must be faced if they are to overcome their problems and fulfill the promise of the Charter of Punta del Este.

A substantial number of Alliance countries have undertaken exactly the kind of self-help measures that are needed. For example, tax reform programs are underway in no less than 11 countries; over half the nations of Latin America have completed their development plans; over half have met or surpassed the target of a 2½ percent yearly increase in per capita income; no less than 10 countries have enacted land reform legislation; and the budgets for public education have risen over 25 percent in the last 3 years.

Fifteen countries have self-help housing programs, and the capital of housing banks, affecting 16 countries, has been sharply increased. Savings and loan legislation has been adopted by 10 countries. In six countries alone, there are now over 70 savings and loan institutions, with 157,000 savers, and over \$40 million in deposits.

As for physical accomplishments, U.S. assistance to Latin America, both directly and through local institutions, has resulted in: the construction of 326,000 homes, 36,400 classrooms, 735 health centers, hospitals or mobile health units; the installation of over 2,000 wells and water systems; the printing of 11 million textbooks; and the extension of 290,000 agricultural credit loans.

Some 22 million Latin Americans have been provided with surplus agricultural commodities through our food-for-peace program—Public Law 480—and a special child-feeding program, known as Operation Ninos, has brought nourishing meals to more than 12 million school children.

Mr. Chairman, these are just some of the achievements of the Alliance for Progress. There are many others, but the ultimate goals of the Alliance will require the continued and expanded efforts of all the Alliance partners, as well

as increased technical assistance and project implementation on our part.

In this hemisphere, we have come to learn that our own destiny can well be affected by the aspirations of the campesino in the highlands of the Andes or of the slum dweller in Caracas. Our hopes for ourselves and for our children are intimately woven in with theirs. We know that we cannot expect full security and happiness for our own people if we ignore the needs and wants of our less fortunate friends south of our own border.

Well over four-fifths of the capital required for the factories, the schools, the water systems and the roads essential for development is being generated by Latin Americans themselves. Substantial parts of the remainder is coming from Europe, from private investors and from international lending institutions. Total U.S. commitments during the first 3 years of the Alliance have averaged something over \$1 billion a year—a sizable sum, but only a small fraction—less than a fifth—of the total new capital formation in Latin America.

Mr. Chairman, I am confident that if we continue to honor our commitments under the Charter of Punta del Este that the Alliance for Progress will continue to prosper and achieve a better life for every Latin American citizen.

Mr. SHRIVER. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, in my opinion, the India-Pakistan conflict over Kashmir is a crisis pinpointing the severe overall shortcomings of our foreign aid program. We have contended ourselves with international charity and international anticommunism. We have failed to make our overseas assistance program an effective political weapon in a very political world. In Asia, our policies have never matured past adolescence.

Let me read a quotation from the New Republic of September 11, 1965:

Our Government has given India and Pakistan almost \$10 billion to protect them against communism. The most striking result has been to enable them, despite their grave economic weakness, to fight each other with full arrays of expensive modern weapons, for possession of Kashmir. Pakistan has received \$1.2 billion in military and \$2.6 billion in economic aid. Last month, taking a leaf out of the Communist book, the Pakistanis sent into Moslem Kashmir some thousands of guerrillas to begin a "war of national liberation," and last week the Pakistanis were attacking with Patton tanks provided by the Americans. The Indians naturally fought back, and were enabled to do so all the more vigorously thanks to the \$200 million of military aid and the \$5.2 billion in economic aid which India has had from the United States—of course with the idea of bolstering India against communism, not against Pakistan.

Now if our Government had the sense private enterprise usually does, it would hardly have pumped \$10 billion into the Indian subcontinent with a crucial contingent liability like Kashmir hanging fire. The least we could have done is to have used our aid program as a lever to work the will of the United Nations that

there be free elections in Kashmir. But this would have involved coercing India, and India is a sacred cow of the liberal world savers. Somehow this is true despite India's record of pillage in the religious wars, despite India's record of aggression against the former Portuguese enclave of Goa, despite India's record of persecution of its so-called untouchables, and despite India's record of political tyranny in denying self-determination to Kashmir. I have had the feeling sometimes that every holier-than-thou anti-American statement India has put out has just excited the liberal world savers to send more foreign aid. They have propagandized India as a garden of democracy and the hope of Asia. They are trying to watch democracy grow like they would watch for carrots or radishes grow.

Kashmir is what they got. Pakistan subverted and then seemingly invaded Kashmir. But before this the Pakistani have watched India deny their kinsmen of Kashmir the right to join Pakistan—which everybody knows Kashmir wants, and after all, the U.N. did promise free elections some 18 years ago.

Notwithstanding the Kashmir powder keg—with its steadily burning fuse—our fearless, franchised foreign aid distributors have pumped almost \$2 billion worth of military aid into the Indian subcontinent since it became independent. Why have we done this? Because we want to save India and Pakistan from Communist China—but every time India or Pakistan gets American weapons they think first and foremost about using them on each other, and not Communist China.

Mr. Chairman, Pakistan was long our friend—although we paid enough cash to make it understandable—until we gave arms to India. Pakistan fears India gravely. The open sore of Kashmir is one reason, and India's vast overwhelming 5-to-1 population and strength ratio is another. Pakistan, unlike our liberal world-saver friends, can see behind India's holier-than-thou pose. As I said, our military aid to India was supposed to be for use against Communist China, but let me quote the New Republic of September 11 again:

But the United States took that threat more seriously than did the Indians, who kept the bulk of their best troops in Kashmir, facing Pakistan.

While we gave military aid to Pakistan only, it did not greatly distress India and we kept Pakistan's friendship. Then when we began to aid India because of the Communist Chinese scare, we began to sacrifice Pakistan's friendship because Pakistan feared India more than China. Nor can it be said that our aid made a friend of India. The Communist Chinese pressure is responsible for any Indian seeming change of heart. Actually, the India-Pakistan conflict will probably lead both countries to make overtures to Communist China for aid or neutrality. Such is the result of an American policy that ignored the Kashmir time bomb and pumped in billions of dollars worth of arms to add to the explosion. While we should have been trying to dismantle the Kashmir time bomb

we were paving the way for a greater conflagration and a greater opportunity for Communist China to profit for our gullibility.

Nor is military aid the only American aid that is waging this war. Look at what the billion dollars worth of economic aid this past year was used for by India and Pakistan. A good part of our economic aid to India went for trucks and diesel locomotives—key muscle of warfare. Our aid to Pakistan went largely for steel, power facilities, railroads and roads, also crucial to any war effort.

As far as I am concerned, Mr. Chairman, we have no business pumping so much aid so blindly into the Indian subcontinent. If we are to spend large sums of money there, let us do so as part of a carefully worked out and politically conscious development plan. I urge that we withhold moneys from India and Pakistan pending the formulation of some plan settling the Kashmir crisis and providing for Indian-Pakistani cooperation. Perhaps we might channel our aid through an Indo-Pakistani Development Bank to be under the auspices of the United Nations, which idea the United Nations might be able to use in peacemaking attempts. At any rate, until a sound new concept in aid has been formulated for the two nations, Pakistan and India, I believe that we should withhold all aid, on grounds of not wishing to aid in the present conflict beyond the extent we already have. I urge this House not to appropriate any military aid funds for either nation, and I would urge that economic assistance moneys appropriated be withheld until the crisis is reasonably settled.

Mr. Chairman, I feel that our aid should be conditioned on a Kashmir settlement, and that the administration's reluctance to speak of the underlying Kashmir problem, coupled with an excessive tenderness towards India, merely perpetuates the self-defeating policy of the past. In closing, I would like to make this final point—I hope that the Members of this House are coming to realize the wasteful immaturity of our aid program. It is as obvious as the failure of our foreign policy.

(Mr. FINO asked and was given permission to revise and extend his remarks.)

Mr. SHRIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. THOMSON].

(Mr. THOMSON of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. THOMSON of Wisconsin. Mr. Chairman, appropriation of almost unlimited sums of money to the AID Agency is not the answer to the confused situation now existing in our foreign aid program. The bill now pending before the Committee represents a tremendous amount of money, but it in fact is only part of the vast sums which will be passed out to foreign lands.

It presents the Congress, however, with an opportunity to impress upon the Agency the need for tighter controls and more useful uses of the money allotted to this program. In my opinion, an agency

which contracts with others to do its work could certainly get along with fewer employees itself. But this Agency, rather than reducing the number of its American employees, has increased them.

On June 30, 1964, there were 6,688 American nationals employed by AID, while on June 30, 1965, there were 6,828 American nationals employed, even though the Agency had contracted with all manner of corporations and public institutions to an amount exceeding \$400 million.

Among the forms of contracts executed by AID are those entitled, "Research and Analysis." This Agency has spent a total of more than \$25 million on research projects. Among such research projects are the following:

"Impact of Electric Power on Rural Development—Pilot Study in Colombia," \$80,000, Fairbanks-Morse.

"Impact of Electric Power on Rural Development—Pilot Study in Colombia," \$125,000, American Institutes for Research.

"Usefulness of Small Power Sources in Remote Locations," \$355,000, General Electric Co.

"Development and Performance Test of a Solar-Power Battery Recharging Center," \$30,000, Hoffman Electronics Corp.

"Research on Farm Power and Equipment Requirements for Production of Rice and Associated Food Crops in the Far East," \$360,000, International Rice Research Institute.

After 30 years of rural electrification in America, it would seem that a telephone call to the National Electric Cooperative Association or to the TVA, or the investment in a 5-cent stamp could have produced an answer to the impact of electric power on rural development at a saving of \$1 million to the American taxpayers.

There are other research contracts which have not been completed and which must be awaited breathlessly at the AID Agency. One is a contract with Michigan State University for \$500,000 entitled "Diffusions of Innovations in

Rural Society." Some people thought that Orville Freeman through his Department of Agriculture was introducing innovations in rural society. Others thought that the Farm and Home Administration has long been engaged in that activity, but possibly neither of these or other agencies, have extended their activities to diffusions of such innovations.

Almost every agency of Government has a public relations bureau, and our foreign outlet is the Voice of America and USIA. But the AID Agency paid the American Institutes for Research almost \$75,000 for a study entitled "Diffusion of Information Through Radio and Supporting Media." And AID paid Brandeis University \$250,000 for a study entitled "The Political Attitudes of Youth in Developing Countries." And, with the accumulation of all of this research evaluation, the AID Agency spent the monumental sum of \$5,405 to Haverford College for a study on "Effect of Foreign Aid on the U.S. Balance of Payments." Another interesting contract went to the University of Pennsylvania, which cost AID \$250,000 for a study on "The Interaction of Social Values and Political Responsibility." And there are many more.

This Agency's craze to execute contracts has permeated the administration of the Agency itself. They paid the American Institute for Research \$284,000 to analyze the functions of four key-position in-aids oversea missions. It was this evaluation of standards by which selections are made for key oversea positions. They advised AID as follows:

"Feasible means for measuring the degree to which a prospective incumbent possesses some of the requisite characteristics may not be currently available to AID. However, the inability to measure the characteristics within the constraints that now bind the agency should not be confused with the issue of whether or not a characteristic is essential to do a job effectively. If the characteristic is needed, and AID chooses and places a candidate lacking it in the appropriate degree, the aspects of the

job in which the characteristic is required cannot be performed effectively."

AID paid Syracuse University \$350,000 for an appraisal of the administration of the technical assistance program, even though they are phasing out the technical assistance program in favor of contracts to perform the service.

However, with more than \$400 million in "current technical service contracts as of December 31, 1964," AID appears uncertain about the wisdom of the contract method, because they have entered into another contract with Purdue Research Foundation for evaluation of AID university contracts for agricultural education and research programs abroad, in the amount of \$998,931.

I think the time has come for this Congress to put the brakes on the contract craze of AID. It is time that this Congress impressed upon this Agency the need for tighter controls, and I am certain that with less money in their hands, more careful use of the taxpayers' money can be encouraged. Rather than attempt to prevent any contracts, I intend to submit at the appropriate time an amendment which would prevent AID spending money on research into the administrative, organization, or operation of personnel practices of the Agency. I am hopeful that the Committee on Foreign Affairs will, at the beginning of the next session, make a thorough and searching examination of this type of use of the taxpayers' money, with the clear intention of writing some strict guidelines into the authorization legislation which will effect some long overdue economies, and effect some savings and prevent some of the waste which is so evident in this Agency.

Mr. Chairman, I insert at this point in the RECORD, under permission to include extraneous matter with my remarks, a tabulation of research contracts for the funding years 1962-65 by title, and the agency making the research, as well as the amount of money involved, the total of which is \$25,193,163.

The matter referred to follows:

Research contracts fiscal years 1962-65

Contractor	Project title	Total obligations ¹	Contractor	Project title	Total obligations ¹
American Institutes for Research	1. Evaluation of AID participant training programs in the United States (pilot study).	\$37,797	Bureau of Social Science Research, Inc.	11. Overseas evaluation of the participant training program.	\$415,700
	2. Diffusion of information through radio and supporting media (pilot project in Ecuador).	74,075	Cornell University	12. Comparative study of social and cultural change.	647,938
	3. Research on job performance standards (AID employees overseas).	284,030		13. Urban housing in Latin America: Economic, political, and social implications.	269,968
	4. Research and development of aptitude testing.	245,950	Total		917,906
	5. Review of AID publications	10,320	Educational Services, Inc.	14. Mathematics curriculum development in Africa.	1,823,012
	6. Impact of electric power on rural development (pilot study in Colombia).	125,111		15. Research and development in beginning science curriculum for English-speaking tropical Africa.	481,603
Total		777,283	Total		2,304,615
Brandeis University	7. The political attitudes of youth in developing countries.	250,594	English Language Services, Inc.	16. Research on new techniques for training teachers of English.	1,049,652
Brookings Institution	8. Universities and political change in Latin America.	21,385	Fairbanks Morse	17. Impact of electric power on rural development (pilot study in Colombia).	80,304
	9. Symposium on research on the development of administrative capacity in emerging countries.	27,000	Foundation for Research on Human Behavior.	18. Symposium on research on comparative social change in developing countries.	35,000
	10. Transportation and economic development.	1,469,720	General Electric Co.	19. Usefulness of small power sources in remote locations.	\$355,000
Total		1,518,105			

Footnotes at end of table.

Research contracts fiscal years 1962-65—Continued

Contractor	Project title	Total obligations ¹	Contractor	Project title	Total obligations ¹
Haverford College.....	20. Effect of foreign aid on the U.S. balance of payments.	² \$5,405	North Carolina State (College), University of North Carolina.	40. Analysis of data on the nutrient status of soils in Latin America and West Africa.	\$750,000
Harvard University School of Public Health.	21. Effects of investment in health on economic growth.	85,756	Ohio State University Research Foundation.	41. Analysis of programs for the development of agricultural credit institutions and services.	636,821
Hoffman Electronics Corp.....	22. Development and performance test of a solar-powered battery recharging center.	² 30,025	University of Pennsylvania.....	42. The interaction of social values and political responsibility.	250,000
International Institute for Educational Planning.	23. Development of guidelines for determining the feasibility of using new educational media in developing countries.	196,129	University of Pittsburgh.....	43. Research on the process of institution building: Four case studies of educational and training institutions.	158,350
International Rice Research Institute.	24. Research on farm power and equipment requirements for production of rice and associated food crops in the Far East and South Asia.	360,000	Purdue Research Foundation.....	44. Evaluation of AID university contracts for agricultural education and research programs abroad: Phase I.....	58,931
Johns Hopkins University.....	25. Functional analysis of health centers.	225,690		Phase II.....	940,000
	26. Research on certain effects of foreign aid on the economic growth of selected countries.	19,408	Total.....		998,931
	27. Research in health manpower planning for selected less-developed countries.	865,684	Sinulmatics Corp.....	45. Venezuelan development study.	220,000
Total.....		1,110,782	Stanford Research Institute.....	46. Farm marketing facilities and practices in tropical Africa.	564,037
Medical College of Virginia.....	28. Study of methods for improving the training and use of middle-level health manpower.	130,200		47. Industrial location and development planning in newly industrializing countries.	196,029
University of Michigan.....	29. Research in foam plastics for housing.	236,000	Total.....		760,066
Michigan State University.....	30. Role of food marketing systems in Latin American economic development.	395,162	University of South Florida.....	48. Impact of a literacy program in a Guatemalan ladino peasant community.	65,129
	31. Diffusion of innovations in rural societies.	500,000	Syracuse University.....	49. Appraisal of the administration of technical assistance programs, with special reference to T.A. in agriculture.	355,475
	32. Development of an educational research center for Central America.	² 610,000	UCLA.....	50. Relation of investment in housing to economic growth.	99,088
	33. Mapping of research requirements of the food-for-peace program.	124,040	Williams College.....	51. Import substitution and economic policy in economic development.	173,299
	34. Symposium on communication research and the development process.	37,880	University of Wisconsin.....	52. Research and training in land tenure and reform in Latin America.	2,463,275
Total.....		1,667,082		53. Study of regional cooperation in south and southeast Asia.	312,770
MIT Center for International Studies.	35. Intensive study conference on means to increase agricultural productivity in underdeveloped countries.	² 246,200	Total.....		2,776,045
	36. Improved analytical methods for development planning.	200,910	Yale University.....	54. Quantitative study of economic structure and growth.	1,513,730
Total.....		447,110		55. Projection and analysis of world trade patterns.	² 38,800
National Planning Association.....	37. Development planning and planning assistance criteria.	1,377,120	Total.....		1,552,530
	38. Capacity expansion planning factors.	38,391	Grand total.....		25,193,163
Total.....		1,484,751			

¹ Total obligations for fiscal years 1962-65.² Completed.

NOTE.—This list includes only contracts; participating agency service agreements (PASA's) are not included.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wisconsin. I am glad to yield to the gentleman.

Mr. GROSS. Mr. Chairman, I want to commend the gentleman for his excellent statement. I do not believe he mentioned the \$15 million that went to Ecuador to take care of its budget deficit when it had a credit in the Central Bank of the International Monetary Fund upon which they could have drawn. I wonder how much longer we are going to continue to take care of budget deficits of other countries when we have a deficit of billions of dollars in this country and when the other country has a source of credit available upon which it can draw.

I thank the gentleman for yielding.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wisconsin. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, every month there is laid on my desk a report from AID showing the number of contracts that have gone into Missouri as well as the amounts of the contracts; also the contracts that have gone into Wisconsin, Iowa, New York, Massachusetts, and all the other States of the Union. The purpose of this, I suppose, to influence Members in their vote.

Personally I consider it an insult to the integrity and the intelligence of a Member of the U.S. Congress. But my question is, Does the Member know how much is being spent by AID on public relations of this kind?

Mr. THOMSON of Wisconsin. I am sorry I cannot respond with accuracy. I have a tabulation of the contracts that are let out to the universities, corporations, and various other agencies. But I am sure AID does very well in their public relations functions. I am surprised that they are letting contracts out

to find out new ways to diffuse innovations in rural societies and some that are not rural.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wisconsin. I am glad to yield to the gentleman.

Mr. GROSS. I have been reading the voluminous hearings as best I can. I have been looking for some word as to how the deceased general in Thailand allegedly accumulated an estate of around \$100 million. I do not know whether he was one of the gambling house operators in Thailand, but the State Department seems to think, according to information that I have, that the officials' 40 or 50 wives were thrifty and therefore they made a contribution to this huge estate.

Mr. ROONEY of New York. Mr. Chairman, if the gentleman will yield, how many wives did the gentleman say?

Mr. GROSS. Forty or fifty.

Mr. ROONEY of New York. I wondered if I had heard correctly.

Mr. PASSMAN. Mr. Chairman, I yield 8 minutes to the distinguished gentleman from California [Mr. COHELAN].

(Mr. COHELAN asked and was given permission to revise and extend his remarks.)

Mr. COHELAN. I thank the gentleman for this time and, Mr. Chairman and members of the committee, I want to join with those who preceded me in the well in extending my great appreciation to our chairman for a most interesting period of time in reviewing this bill. Even though we do have disagreement on some points, I believe it is very important to recognize that even while we are having a vigorous debate on this bill today, we are much more in agreement than we are in disagreement.

Mr. Chairman, I would point out at the outset that when we are considering cuts in the bill, the actual differences in the cuts that have been proposed are only in the neighborhood of some \$83 million and, as you know, the committee has recommended a \$75 million cut.

I believe it is safe to say that all of us are most anxious that our foreign aid assistance program be put to the most effective, efficient use possible. There will always be, I suppose, some controversy as to how this can best be done.

Mr. Chairman, foreign aid—that much criticized, much maligned, and much misunderstood program—is not a wolf in sheep's clothing, as some would have us believe. It is in reality an important, a practical and a necessary arm of our foreign policy. Its several programs are directed toward a single goal: to assist those nations that so desire to maintain their independence and to develop into self-supporting nations. This goal is certainly no less valid today than it was 19 years ago, when the program was begun and the need is certainly no less great.

The history of the last two decades shows rather conclusively that this program of economic and military assistance played an essential role in the rebuilding of Western Europe. It shows that it was a crucial element in enabling Turkey to withstand heavy Soviet pressures and in permitting Greece to put down Communist aggression. It shows that it allowed many nations on the border of the Sino-Soviet bloc to survive and grow. And it shows that it has encouraged, and in some cases made possible, economic and social growth in many of the underdeveloped countries of the world.

The fact of the matter, and this too is borne out by history, is that the continued survival of our own free institutions depends upon the development of a world community of stable, self-supporting countries. Or to put it another way, as other people grow in freedom and independence, so the security of the United States is advanced; and as others grow in economic strength, so will our markets and our economy continue to expand.

Our foreign aid program, furthermore, should not be thought of only in terms of national security and national inter-

est. It can and it should be thought of as well in our proud tradition of humanitarianism; a tradition which dates back to the frontier days of this country; a tradition which is based on our willingness to share our abundance with those less fortunate. And let those who say charity and good works should begin at home remember that for all of the economic, social, political, and humanitarian functions which this program advances, it represents less than 1 percent of our gross national product.

John Fitzgerald Kennedy stated it aptly in a message to Congress a little over 2 years ago when he said:

That our aid programs can be improved is not a matter of debate. But that our aid programs serve both our national traditions and our national interest is beyond all reasonable doubt.

Mr. Chairman, the foreign aid program which we are considering today is a much different program than the one we considered 10 or even 5 years ago. It operates differently; it is directed to different kinds of problems and it is going in different places.

A decade ago we finished our economic aid programs in Europe and Japan. Those countries had achieved enough economic strength to go forward without aid. Today these countries are joining us with foreign aid programs of their own, providing over \$2 billion per year in aid to less developed countries.

Our assistance efforts today are focused in the countries of Asia, Africa, and Latin America. But more importantly, the kind of aid we are providing, and its purpose, have changed significantly.

Not too many years ago, a large portion of our aid was intended to do nothing more than keep many countries economically afloat on a day-to-day basis. Much of our aid was simply budget support. As recently as 1956, two-thirds of all our foreign aid was military assistance, and most of our economic aid was budget support. But since 1960, supporting assistance has been ended for 18 countries. Today, two-thirds of our aid is economic in nature and almost all of this economic assistance supports long-term development and progress toward self-support. This is the key to our new efforts.

This long-range development assistance is provided primarily through development loans. The \$1.1 billion requested for development loans, including the Alliance for Progress, constitutes a major share of the total request for fiscal year 1966. These loans provide assistance of two different types.

The most familiar type of loan provides capital assistance for specific projects—highways, bridges, dams, and irrigation works. They help in the construction or expansion of private industrial plants. They also assist the growth of rural electrification cooperatives and help establish local development banks, which in turn lend to private investors. For example, loans have been made to 36 industrial banks in 30 countries which in turn have made possible some 2,400 loans to private business there. These are the kinds of activities which encourage economic activity at the grass-

roots level where it counts so heavily and which create the institutions vital to the economy of a developing nation. These are the kinds of programs which must be emphasized if self-reliance and independence are to be promoted.

A second type of loan, called program loans, also provides a grassroots impact, not by building institutions, but by encouraging the development of private enterprise. These loans, which have become increasingly important, finance the import of equipment, supplies, and raw materials for countries with scarce foreign exchange resources. In the past year, approximately 90 percent of these funds went to the private sector in the recipient countries.

Individuals—both manufacturers and farmers—in many less-developed countries desperately need raw materials and spare parts to expand their production, and sometimes simply to keep their plants or farms operating. These loans mean vehicle components for motor companies; fertilizers for farms, machinery for factories; medical and pharmaceutical commodities for laboratories. They may be undramatic but a sound development program is made up of thousands of small undramatic improvements, replacements, additions and investments. And it should also be pointed out that program loans finance the import of U.S. commodities only.

They are thus an asset to the private sector of our own economy. They are one important means of expanding our overseas trade.

Another vital need for the less-developed countries is skilled leadership. Building institutions—banks, educational systems, agricultural extension services—is of little value of these countries lack adequately educated and properly motivated people to make them effective. The technical cooperation program is directed primarily toward meeting these needs.

In India, for example, our programs have helped train teachers, establish a major fishing industry, solve production and market problems in private industry, and establish institutions to train engineers and agricultural experts. We all realize, I am sure, that the United States cannot and should not, even if it could, send overseas all the doctors, teachers, city planners, economists, and so forth, that are needed in these countries, nor will our assistance programs alone produce enough of these people. But that is not our immediate objective.

The technical cooperation program, for which \$277 million, including the Alliance is requested for fiscal year 1966, is aimed at long-term development primarily by providing technical experts who perform advisory services and teach others to teach themselves. In other words, this assistance is intended to act as a catalyst—to provide the critical margin of resources from outside which will enable much larger resources inside the country to be put into action.

Not all of the technical assistance projects nor all of the development loan programs have met rapid success or produced large-scale results. The difficulties in the developing countries are too

great for us to expect quick success at every turn. But the important thing is that steady and meaningful progress is being made. And a fact that we should remember is that for every \$1 of U.S. bilateral assistance, the 20 major aid recipients in Asia, Africa, and Latin America have allocated an average of \$6 for development from their own limited funds.

Mr. Chairman, I have said a great deal about development loans and technical cooperation programs because they are the core of our efforts abroad. I wanted to emphasize that most of the economic aid funds are used for purposes essential to development progress. There are, of course, other components of the aid program—supporting assistance; the contingency funds for general needs and for southeast Asia; the funds for international organizations and programs; and the funds for American schools and hospitals. These all contribute in an essential way to the objectives of U.S. foreign policy.

Our military assistance program, for example, is the key to survival to some 11 countries on the rim of the Communist bloc. It is the key to the maintenance of more than 3.5 million men under arms. These men are a deterrent to Communist aggression. Without them our defense costs would be much higher and many more American troops would have to be committed around the world.

Mr. Chairman, I believe we have reported a good bill to the House. It represents the smallest total available for obligation in the last 10 years. It concentrates two-thirds of its development assistance in 7 countries, 90 percent of its supporting assistance in 4 countries and three-quarters of its military assistance in 11 countries. It also places a premium on self-help; on a recognition that the United States cannot afford to provide major assistance to countries that choose to make their own development a minor concern.

Several members of the minority on the committee have not seen fit to join in the committee report. They have instead filed minority views and I would like to take a minute or two to comment on some of their allegations.

First, as to congressional control. The impression is given that somehow foreign aid is out of control of the Congress. Aside from the fact that this is a reflection on two committees of the House, their chairmen, and in fact the entire membership, it ignores the fact that the foreign aid program is probably the most frequently scrutinized, examined, and studied of any Government program. Extensive hearings are held by the Foreign Affairs and Appropriations Committees each year. Foreign aid is one of the few programs that each year must go through a full authorization cycle and a full appropriations cycle. Congress does have control; it does have full powers of review. In fact a number of changes and reforms have been made in the program—even in the smallest details—as a result of congressional review.

Second, aid and the balance of payments: Few subjects have been so much debated and so completely distorted as the relationship of foreign aid to our balance of payments. The facts are these:

Since 1961, foreign aid has had a steadily decreasing impact on our balance of payments.

The adverse impact is at the lowest level yet achieved. More than 85 percent of the funds requested for the economic assistance program in fiscal year 1966 will be spent directly in the United States for American goods and services.

The net drain of funds from the economic aid program, taking into account repayments from prior aid loans, was about \$300 million in fiscal year 1964. The latest figures for calendar year 1964 show that the annual net drain has been further reduced—to about \$250 million. In 1961, by contrast the comparable drain was about \$1 billion.

Third, aid and the balance of trade. Contrary to the allegation by the minority, the statements that U.S. commercial exports are rising in the less-developed area where AID maintains foreign assistance programs are correct. From 1959 to 1964, U.S. commercial exports to the AID program countries—excluding exports financed by economic assistance—rose from \$3,893 million to \$4,832 million—nearly \$1 billion in 5 years.

It is simply not correct that a more meaningful measure of AID's impact on foreign commercial trade is the "balance" of U.S. commercial exports and imports. The "balance" is the result of two independent phenomena—the level of exports and the level of imports. The level of commercial imports to the United States from the less-developed countries is influenced by a variety of factors, including such things as the level of U.S. income and demand for goods produced in less-developed countries, the growing capacity of the less-developed countries to produce export goods, and the prices of these export goods. These are factors over which foreign aid clearly has no control or direct influence.

Nonetheless, our overall commercial trade balance with Latin America has not declined in the 1959–64 period. Indeed, in 1964 it was less unfavorable than in any year since 1959.

In addition, the U.S. share of the worldwide export market in all the less-developed regions of the world is expanding. Our overall share of worldwide exports—including aid-financed trade—to 99 countries in Latin America, Africa, and Asia in the 1959–60 period was 25 percent; in the 1963–64 period it was 28 percent. More important, the United States obtained 43 percent of new export trade with these countries since 1959–60—much more than our overall share of the export market in these less-developed countries. In other words, our relative export position in the developing countries is improving—not deteriorating. The U.S. increase in new export trade

was much greater than can be explained by the increase in U.S. aid dollars.

Fourth, the real size of the aid program. The minority alleges that there is some sort of plot to conceal the size of the aid program by splitting it up. This is certainly not true. And, even if it were, all the discussion about concealment would have long ago brought things into the open. The truth is that all such funds are shown in the budget, and fully reviewed and understood by the Congress.

Some of the items listed by the minority as foreign aid have little, if any, relationship to the foreign aid program as I have discussed it today. The foreign aid program has traditionally been understood to be the program authorized by the Foreign Assistance Act of 1961 and for which funds are appropriated by title I of the bill we are considering today.

The minority report lists as foreign aid, for instance, the funds for the administration of the Ryukyu Islands. The United States is responsible for the administration of these islands pursuant to a treaty with Japan. Military considerations require our presence there, but clearly these considerations are not governed by foreign assistance criteria.

Another item listed as foreign aid by the minority is the Export-Import Bank. The primary objective of the Export-Import Bank now—as it has been for over 30 years—is the promotion of U.S. export trade throughout the developed and less developed areas of the world. Its activities do spur economic growth in Africa, Asia, and Latin America, but its principal function is to bolster U.S. commercial sales to these areas.

There are other international activities of the United States which to some extent share with the foreign aid program the purpose of assisting the less fortunate nations. It is important in each case, however, to recognize the nature of the activity and the true costs involved.

Mr. Chairman, on balance I think the evidence points conclusively to the need and the necessity of continuing this program of foreign assistance and to pass this bill without reductions beyond those which have already been made by the committee. I have not meant to imply in my remarks that this program has no weaknesses, that it should go on indefinitely or that it is no burden to us as taxpayers. I have meant to emphasize, however, that much of our aid program is committed to fundamental economic development efforts, that it is primarily a catalytic agent, that it is in the best interests and the best traditions of this country, and that its weaknesses and its costs are frequently exaggerated.

Secretary of State Dean Rusk said it very pointedly and very thoughtfully in his testimony before the House Committee on Foreign Affairs last year.

The Secretary said:

We often hear talk about what we are doing to future generations of Americans and about the legacy which we have given to our grandchildren. I would certainly not want mine—

He continued—

to grow up in a world where the richest nation—having nearly half the world's wealth—ignored for decades the needs of two-thirds of the people who lived in poverty, disease, and hunger. It would surely not be a very safe or stable world. And even more, it would not be a very great heritage or tradition to pass on.

Mr. Chairman, foreign aid represents a major offensive weapon in our foreign policy arsenal. In an age of nuclear weapons, when any brushfire may turn into a general holocaust, it offers an opportunity and an incentive for peaceful change, progress, and growth. Other free nations combining their efforts with ours, can, must, and are helping the emerging areas of the world to develop into independent and self-reliant states. Communism cannot countenance such a world. It is foreign to its philosophy and designs.

Foreign aid, thus, is not only an effort to provide help and hope to less fortunate neighbors—a step which we should take even if there were no such thing as Communist aggression. But at a time when so-called “wars of national liberation” are being hailed as the wave of the future, it is also a foundation stone and an essential bulwark in the defense of freedom and independence.

Mr. SHRIVER. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. Bow].

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Chairman, we have been listening to debate here all afternoon of the great accomplishments of foreign aid in the past, how much it means to our foreign policy, the great good it has done. But little has been said about the harm it has done, and nobody, apparently, has been thinking about the American taxpayers.

I hate to put forth a note of discord into this love fest we have been having, but it seems to me that somebody should have something to say about the American taxpayers; somebody should have something to say about whether the American taxpayer should continue to finance wars, and whether or not this House is going to take some action.

It seems what we have done here has been to go along pretty well with what the administration wanted and with what the White House wanted. It seems to me we ought to reduce this sum. When the time comes I am going to offer a motion to recommit with some reductions. I will speak later on that under the 5-minute rule.

What have we been doing as a Congress? We have been going the White House one better in practically everything we have done.

Medicare costs were raised \$2 billion over what the White House requested.

College aid was approved more than double the amount asked.

Military pay—that was raised \$600 million above the request.

On civilian pay raises it looks like \$400 million will be added.

On arms spending—that is to be increased above the amount asked.

The antipoverty program has all the money that was requested and more.

Area redevelopment is \$250 million higher than what the White House asked for.

The old idea there should be economy in government when the economy is expanding and the old idea of economy by the Congress seems to have been forgotten. As a result, the spending in the administrative budget will soon be breaking through the \$100 billion mark.

The cash budget is going to be above \$130 billion.

The cut of \$3.600 million in military spending in the midst of the war was needed in the year that ended last June 30 to hold the administrative budget down below the \$100 billion mark, and then they were back in for more money and they got it.

Arms spending is going to rise at least \$4 billion this year.

It seems to me, my colleagues, it is time we took a good hard look at what is going on. We recognize the war in Vietnam is going to cost us a great deal more next year than this year's military budget. But because of the stamp “secret and confidential,” we cannot speak here on the floor today as to what we are spending to finance the war of India and Pakistan. It seems to me, my colleagues, a perfectly ridiculous thing that we should be taking the taxpayers' funds to finance a part of the war in India and Pakistan—spending money on both sides. Yet the administration is going to come in and ask for more money to fight our own war in Vietnam. All of this is done by deficit spending. Remember this, that the funds you are using to finance the war in Pakistan and India come from money borrowed at the expense of the American taxpayers upon which we are paying interest and increasing the deficit of this country.

It seems to me it is time we called a halt to some of these things. Now the gentleman who has just spoken here talked about the humanitarian side. I agree that we must have a humanitarian feeling, but let us have one for the American taxpayers as well. He talks about what we did in Western Europe. Yes, of course, we went to our allies and we rebuilt their nations. We rebuilt their economic strength. After we did it—what happened? Have they contributed to these other nations and to these funds? Take a look at the list of other countries in this question of aid. We are still footing the bill. Oh, they are making some minor contributions, but they are more interested in defeating us in trade and in business with the machines and factories that we built for them out of our resources. Why are they not in this? Why can we not ask them to go into a humanitarian program too with some of the funds and the profits of the prosperity that they now have to aid in this? Why can we not ask for something like that?

I will agree with anyone that it would be immoral if we ever let grain spoil in our granaries or if we ever let food spoil in our warehouses so long as there are hungry people in the world and so long as there are hungry people in the United

States—and there are some hungry people here in the United States. I understand we have had to have an antipov-erty program here because 17 million people go to bed hungry every night in the United States. Let us feed them with our surpluses as well as feed people abroad.

The story is not one sided, as we have been hearing today.

It seems to me that the Congress must begin to consider the financial side of the question as well as the question as to whether it is moral for us to support a war between two countries, as we are now doing in India and Pakistan.

My distinguished chairman read a letter which rather suggested that the House should do nothing about the war between Pakistan and India. It was stated that that is a matter of foreign policy. I agree. To a certain extent it is. But I do not believe that that is a policy which is entirely within the province of the President of the United States.

I remind the Members of the House that the Constitution provides that no funds shall be spent unless appropriated by the Congress of the United States. That provision in the Constitution gives us control of the purse strings and the determination as to whether moneys shall be used to finance both sides engaged in a war. We have a constitutional right—and, I believe, a constitutional responsibility—to exercise that prerogative and to say that we will not expend money from the Treasury of the United States to finance wars—on both sides or on one side. Whether we shall appropriate funds for that purpose is a question which comes within the responsibility of the Congress.

I hope that Congress will finally stand up and be counted. We have delegated many of our powers. We have given rights away. It is time that we again stand firm, take a look at these programs, and exercise our own prerogatives. The idea of walking up and down the aisle must come to an end. Congress should again assume its authority over programs of this kind.

I shall speak on the motion to recommit later, but I hope that my colleagues will not believe that this question of foreign aid, foreign security, or whatever it may be called, is all one sided. The American taxpayer has a right to be heard. Certainly the Congress should not merely step to the tune called to it. We should exercise our own prerogatives in this field.

Mr. PASSMAN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. ROONEY].

Mr. ROONEY of New York. Mr. Chairman, the always highly interesting remarks of my distinguished friend, the gentleman from Ohio [Mr. Bow] remind me of the late Al Smith when he said: “Let's look at the record.”

Do Members know, in fiscal year 1953, the amount of money appropriated by the House for the purpose of foreign aid? Practically 100 percent more, or twice as much as the amount suggested to be appropriated today, to wit, \$6,001,900,000.

Do Members recall who was the chairman of the House Appropriations Com-

mittee back in those days, in 1954 fiscal year? That great and fine American, one of my dearest friends, the gentleman from New York Mr. John Tabor. Mr. Taber and the Republicans produced a \$4½ billion foreign aid bill in that year.

Mr. SHRIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, it always touches me deeply to have somebody from the majority party do as the gentleman from New York has just done; that is, to take as a standard the example of Republicans and to indicate that anything Republicans did must have been perfectly all right. I appreciate the gentleman's felicity and I congratulate him on his broadmindedness and perspicacity.

Mr. ROONEY of New York. Mr. Chairman, will my distinguished friend from Arizona yield?

Mr. RHODES of Arizona. I am happy to yield to the gentleman from New York.

Mr. ROONEY of New York. I know of the high grade of intelligence possessed by my distinguished friend from the great Southwest, and I know that he does not at all believe what he says.

Mr. RHODES of Arizona. This puts me in sort of a dilemma, I say to my friend from New York; either I have to admit that I do not have as much sense as he says I do, or I have to say that I do not believe what I have just said. I cannot do either.

I will reiterate the point and say that it seems that on the other side of the avenue, 1600 Pennsylvania, this is getting to be a very important exercise every day. Apparently, a letter is brought out which was written by President Eisenhower at one time, which has been used to indicate that the present Vietnam policy was completely fathered by a Republican administration. Even though the letter does not prove the point at all. Again I say I am touched and I am delighted that the Democrats of the country are so pleased to be on the side of the Republicans. I congratulate them.

I should like to say, however, to my good friend from New York, that the figures which he quoted as an appropriation for foreign aid by the 83d Congress came, as he knows full well, during the days of the Korean war. I believe if he will look at the record and make the appraisal which I am sure he is perfectly capable of making—and will make, because he is an honest man—he will realize that after the Korean war was finally ended by a Republican President the appropriations were cut considerably, and came up then quite considerably under later Democratic administration.

Mr. ROONEY of New York. If the gentleman will kindly yield further, I should like to say that the appropriations never got down to the "bare bones" they are today.

Has the gentleman forgotten what is going on at the moment in Vietnam?

Mr. RHODES of Arizona. Of course I have not forgotten what is going on at

the moment in Vietnam. I have not forgotten what is going on in Pakistan and India, either.

I believe it is very important that this House take a stand against a current which seems to be developing throughout the world—that is, that nations get American military aid and American economic aid and then go to war with each other. They start having wars in which we find ourselves represented vicariously on both sides, in the shape of weapons we have furnished to each combatant.

We have seen this happen on Cyprus. There, weapons furnished by the Turks which we had given them originally were arrayed against other weapons we had given the Greeks. These weapons found a rendezvous on the Island of Cyprus, shooting at each other.

I do not believe we should pass this bill until the Congress of the United States has gone on record in support of what I understand, from my good friend from Texas, is the policy of this administration. I understand that the President of the United States has already announced—if I am incorrect I am sure the gentleman will correct me—that military assistance both to India and to Pakistan has been suspended pending such time as the present war between those two nations has been completely stopped. I also understand that further agreements for economic assistance to either nation will not be made so long as there is a shooting war between these two nations.

I believe Congress should go on record in support of the President's policy. We should put in this bill a provision which will strengthen his hand in the purpose which he has already taken up.

I wish to say, Mr. Chairman, that in this bill for the past several years we have had a prohibition against foreign aid to any nation which allows its ships to be used in trade with Cuba. I am sure this provision has had a very salutary effect in aiding the efforts of this Government to stop trade with Communist China.

Mr. PASSMAN. Mr. Chairman, will the distinguished gentleman yield?

Mr. RHODES of Arizona. I am happy to yield to the gentleman from Louisiana.

Mr. PASSMAN. Certainly it was the subcommittee's loss that the distinguished gentleman from Arizona moved on to another committee. So as to keep my own record straight, in keeping with the statements that I made earlier today—and if they are not correct, of course, I want to be corrected—this is, in reality, one of the largest appropriation bills ever passed by this House in the history of the foreign aid program. I brought that point out in my earlier discussion because the program has been fragmentized. During the period it has been my privilege to handle the bill on the floor final appropriations have been down as low as \$2.7 billion on two occasions.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. PASSMAN. I yield the gentleman one additional minute.

If the gentleman will yield further, final appropriations have been down to \$3 billion on one occasion, and down to \$3.25 billion on another occasion. However, we must also take into account that we now channel aid into a lot of different international organizations. So I stand on the previous statement that the total aid request is \$7,512,470,000. I am compelled to make that statement in defense of what I said earlier today.

Mr. RHODES of Arizona. As the gentleman from Louisiana, I am sure, realizes, the very figures he has set forth are to be found in the minority report. This is a very high bill, one of the highest we have brought up since I have been in Congress. I want to congratulate the gentleman from Louisiana on the work he has done in his committee this year, as always, and on the fine presentation he made. I also want to say I miss being on this subcommittee.

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield for a question?

Mr. PASSMAN. If the gentleman will yield to me, I will yield to the gentleman from New York [Mr. ROONEY] for a question, although I may not be able to answer it.

Mr. RHODES of Arizona. I yield to the gentleman.

Mr. ROONEY of New York. I wanted to ask my distinguished friend, the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN] whether it is not the fact that when this foreign aid bill passed the House in the 1953 fiscal year, it was not in the amount of \$6,001,900,000.

Mr. PASSMAN. I think that is correct. That still does not amount to the \$7,512,470,000 figure I just mentioned.

Mr. SHRIVER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

(Mr. CHAMBERLAIN asked and was given permission to revise and extend his remarks.)

Mr. CHAMBERLAIN. Mr. Chairman, I have asked for this time to advise my colleagues of the House that at the appropriate time it is my intention to offer an amendment to this bill which would deny aid to countries who are shipping or permitting their ships to carry goods to North Vietnam. When we were threatened by communism in Cuba, this is what we did. We attempted to isolate Cuba and in the foreign aid bill at that time we provided that no aid would be made available "to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba" certain items of aid. That provision continues in the bill we have before us today and which we are going to be acting on soon. I say that while Castro is still a continuing threat, the problems we are facing in Vietnam are imminently more urgent. I say it is not right to deny aid to countries that are trading with Cuba and not include a prohibition against aid to countries that are permitting their ships to carry materials of war to North Vietnam. What is the scope of this shipping? My colleagues, some of you may have heard me call attention to this in

the past, but the conference report we approved just recently on page 23 says:

"Free world ships carry 45 percent of North Vietnam seaborne imports and 85 percent of seaborne exports."

Just think of this Free world ships supplying North Vietnam. I told you then that I challenged these figures, and that they are not the whole truth. I hold in my hand a secret document which will tell you, those of you who are concerned about this and want to come and look at it, the true extent of this aid to North Vietnam. It is alarming.

I ask the gentleman from Louisiana, the chairman of the subcommittee, to tell me if it is not true that this bill will provide aid to some of these countries that are carrying on this traffic?

Mr. ROONEY of New York. Mr. Chairman, will the gentleman yield to me?

Mr. CHAMBERLAIN. Will the chairman of the subcommittee answer this question? Does this bill not contain aid to countries that are shipping to North Vietnam?

Mr. PASSMAN. This bill is on an illustrative basis so that it is impossible to tell from the justifications. The agency can testify for concerning money for a school building in Argentina and take that money and build a summer resort on the Ivory Coast.

Mr. CHAMBERLAIN. The information made available to me by staff members of this subcommittee is that there is aid in this bill to nations that are shipping to North Vietnam.

Mr. Chairman, the President has told us that this is war. I agree with him. It is war. I have been to South Vietnam just recently. I have been to Da Lang and Pleiku and Chu Lai. I have been to the hospitals. I have seen what is going on there. It is war. We cannot have a double standard and permit aid to the countries whose ships are carrying supplies to North Vietnam while we prevent aid to countries whose ships sail to Cuba. That does not make sense. We owe it to our military people in Vietnam and the other 50,000 boys that the President says he is going to send there and those are to be asked to serve because we are doubling our draft calls and sending more boys out there.

How can we sit on our hands here and do nothing to stop the shipping that is going to North Vietnam?

The President has stated that this is war. He has recognized this. He has stated that he does not like it. I know he wants it stopped. I know that the Secretary of Defense wants it stopped. I know that every Member of Congress wants it stopped. I say that here is the opportunity for us to do something about it. Let us help the President to stop it.

Our Founding Fathers when they wrote the Constitution provided that appropriations shall be made by the Congress, because we are closer to the people. I say the American people do not want aid sent to North Vietnam. I say that here is a chance for us to do something about it. We should help the President stop this trading with the enemy.

Mr. Chairman, I say that there is a moral issue involved here, too.

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman from Michigan now yield?

Mr. CHAMBERLAIN. I yield briefly to the gentleman.

Mr. ROONEY of New York. The matter to which the gentleman from Michigan has directed our attention for more than 5 minutes now, will, I think, be amply taken care of when this pending bill is read for amendment. I shall then offer an amendment to cure the very situation he has mentioned with regard to North Vietnam.

Mr. CHAMBERLAIN. Mr. Chairman, may I say that I am heartened by those words, because my colleagues know that I have taken the last few weeks to get the facts on this and call them to the attention of the House. I am glad that my voice has been heard and that something is going to be done about it.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. CHAMBERLAIN. I yield to the gentleman.

Mr. PELLY. Mr. Chairman, I want to commend the gentleman. I introduced legislation to carry out this purpose, and a report came from the Department of State against the passage of that proposed legislation. I am going to support the gentleman's amendment, and I hope that we will get some action one way or the other.

Mr. CHAMBERLAIN. Mr. Chairman, I thank my colleague. I would like to say that I have addressed a letter to the Department of State. It is my purpose soon to read it into the RECORD so that all Members of Congress, including the Members of the other body, may know the attitude of our State Department with respect to this deplorable situation. They seem to think that there is nothing wrong with it.

Well, as I say—and I am glad my colleague, the gentleman from New York [Mr. ROONEY] has recognized this—there is a moral issue involved here which goes far beyond the dollar amount of this aid.

Mr. Chairman, we have got to let the nations of the world know that we mean business in Vietnam and that we are not going to continue aid to countries that are supporting North Vietnam.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. PASSMAN. Mr. Chairman, I yield the gentleman 1 additional minute so that I may respond to the gentleman.

The CHAIRMAN. The gentleman is recognized for 1 additional minute.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CHAMBERLAIN. Yes; I would be happy to yield to the distinguished gentleman from Louisiana.

Mr. PASSMAN. Certainly, I was not trying to be evasive in giving the gentleman an answer earlier.

We would assume, based upon what has happened in the past, that nations who are shipping into North Vietnam will receive aid, but as I have stated so many times to Members of the House,

we pass this bill on an illustrative basis and the only way you can protect the American taxpayer, and for that matter, our foreign policy is to keep the figure low. When you keep these figures high, there is always some way that they can get around to giving aid to countries like Egypt, Yugoslavia, Cambodia, Indonesia, and many others for that matter. I wanted to keep out of that, but I have been preaching this since I have been handling the bill, that you have large sums going into Communist countries.

I wanted the gentleman from Michigan to understand that I was not being evasive. I do not know what the approach will be next year under this bill, but we hope before we finally pass this bill now under consideration an amendment will be adopted that will close the gap to which the gentleman has referred.

Mr. CHAMBERLAIN. Mr. Chairman, I would not want to have this RECORD indicate that the gentleman from Louisiana was being evasive in the slightest. I discussed this with my colleague before and he is most cooperative about this. He understands the situation, and I am certain that we share the same views with respect to shipping to North Vietnam by free world nations.

Mr. PASSMAN. If the gentleman will yield further. I hope the gentleman from Michigan understood my statement earlier that my wings had been clipped and all I can do is crow and cackle, and I do not want to be too serious.

Mr. CHAMBERLAIN. I thank the gentleman for his contribution.

Mr. PASSMAN. Mr. Chairman, I yield 6 minutes to the distinguished and very able gentleman, a member of this subcommittee, the gentleman from Maryland [Mr. LONG].

(Mr. LONG of Maryland asked and was given permission to revise and extend his remarks.)

Mr. LONG of Maryland. Mr. Chairman, I am not going to speak on the entire bill, but wish only to address myself to correcting two misleading statements contained in the minority report.

The minority report states on page 15 that there is a definite relationship between the gold outflows and the Federal Government's program of spending in foreign countries.

Mr. Chairman, this is not only incorrect but it is in fact the opposite of the truth. The fact is that our gold outflows are almost entirely to countries that do not now receive, and in most cases, have not received for 5 or 6 years any aid assistance, either military or economic, either grants or Government loans.

Mr. Chairman, of the eight countries which get the overwhelming bulk of our gold in fiscal year 1965, \$1.5 billion, 93.8 percent—nearly 94 percent—only one country, Spain, received any foreign aid, and that was less than \$9 million, a chicken-feed item.

Mr. Chairman, nearly all of the aid went to countries which took only 7.2 percent of the U.S. gold.

So, if we are losing gold, it is not because of our present aid program, despite whatever this may have had to do with it in the past.

I think the minority may argue what we have done in our past programs was to put these countries in the position of buying our gold at the present time. This is quite true. This was our object, to make these countries healthy and prosperous. Many of these countries have cashed in large quantities of gold to buy munitions for World War II. This took the place of our help at that time. After they got their prosperity back they wanted to buy back their jewelry, and most of this has gone to those countries. So far as the present AID recipient countries are concerned, I cannot conceive they will ever be as prosperous as the countries which are taking our gold. They are going to have a tough problem for many decades to come, and they cannot afford gold. They can afford only to take our help.

The minority report says on page 15:

Our commercial trade balance with aid-recipient countries has dropped sharply since 1960. The Latin American commercial trade balance is particularly alarming.

So here again I think this is completely wrong and misleading. Since 1959 our policies have required that aid appropriations must be spent wherever possible in the United States for goods and services produced in this country. In any case, \$6 out of every \$7 in aid in 1965 has been spent directly in this country. Of course, not all can be spent directly, because an American military adviser or an AID official cannot go back to the United States to get a haircut. He has to get it right there. So some of it has been spent over there. This has not been responsible for any loss of our commercial trade balance. Since 1960 we have improved our worldwide commerce surplus by \$2.2 billion. Actually our foreign aid program has improved U.S. dollars. Actually our foreign trade program, by giving U.S. dollars to underdeveloped countries and obliging them to spend these dollars in U.S. goods and services has not impaired our commercial trade balances. Very much as if I gave my brother-in-law a lot of money and insisted that he spend it in my store. I would improve my sales. I am not arguing that is the best way to improve sales but, nevertheless, so far as the particular item is concerned it would have the impact and the effect of increasing business.

The U.S. share of trade with 12 countries rose from 19 percent in 1959-60 to 22 percent in 1963 and 1964. With 20 countries of the Near East and southeast Asia from 21 to 27 percent; with 48 countries in Africa from 7 percent to 9 percent. With 99 developing countries altogether from 25 to 28 percent. Only with Latin America does our share vary slightly, and that is only from 48 to 47 percent.

Thus our trade balance with AID recipient countries has risen during the period set forth in the minority report. The report therefore is incorrect. All we can say about our aid to underdeveloped countries is that it has not hurt our trade.

I want to say in conclusion I support this bill, I am very much in favor of it.

I think America can be proud. We are the only great Nation in history that has used its power to give rather than to take. I am proud to be an American when I consider what we are doing here today.

It is remarkable what we are giving, which only amounts to about \$3 per capita for the countries we are trying to help. It would be amazing if this solved all of the problems in a short period of time.

I think it would be remarkable also if we made no mistakes in view of the lack of experience.

We should not eliminate these programs, but cut away the excess fat.

I support this program, and I urge all my colleagues to do likewise.

Mr. PASSMAN. Mr. Chairman, I yield myself 1 minute.

Mr. SHRIVER. Mr. Chairman, I yield the distinguished chairman of the subcommittee 5 minutes.

Mr. PASSMAN. Mr. Chairman, may I say again in defense of my own integrity and the statements I made earlier in the day that the language in the minority report, in my opinion, is absolutely correct. It is just a coincidence that the language and data in the minority report coincided with what I had established earlier. There is, and I repeat, is a definite relationship between the gold outflow and the Federal Government's program of spending in foreign countries.

We brought this problem to the attention of the committee about 8 years ago that we were giving too freely of our wealth to many countries and that they were building up dollars in excess of their needs for commerce and that the time would soon come that they would demand gold for their extra dollars. I say again the record is accurate.

I respect the views of the gentleman from Maryland. But this is data that I have also used in the past.

As to the table found on page 20, again it was just a coincidence that the minority included that in their report. The recipients of this program did, during those 8 years, purchase \$7,013 million of our gold. Further, it was aid that we gave to them in 1958, 1959, 1960, and 1961 which, I say, when they got ready to spend the dollars that they had accumulated, they bought our gold.

Also, in the bill being considered by the House today, the analysis of the 1966 budget indicates 43 of the countries contained in the gold table found on page 20 will receive foreign aid, economic and military, in the amounts of over \$1,300 million.

I do not think this is a "relationship." I think it is a direct cause of the gold outflow. As I have said on so many occasions before, there are no facts or statistics that will disprove the accuracy of my statement and the accuracy of the contention contained in the minority report.

I had to make this statement in defense of what I said earlier today. I want to commend the gentleman from Kansas [Mr. SHRIVER], for putting this data in the minority report, because it is something that I had toyed with pre-

viously but I did not have the votes to get it in the majority report.

Mr. MATSUNAGA. Mr. Chairman, I rise in support of H.R. 10871 because as an American I am proud of what my fellow Americans are doing to help the less fortunate in foreign lands.

More than 5,000 AID technicians—all Americans—are today working shoulder-to-shoulder with the people of the recipient countries showing them better ways to build things, better ways to grow things, better ways to educate their children, better ways to improve public health, better ways of public administration—and in general, better ways of living.

Our technical assistance has helped to achieve agrarian reform in the Philippines, conquered malaria in Free China, taught do-it-yourself home building in Guatemala, attacked illiteracy in Colombia, modernized agricultural techniques in Vietnam, and set up farm cooperatives in Nigeria.

In India, technical assistance has helped to train teachers, establish a major fishing industry, solve production and marketing problems in private industry, and establish first-class training institutions for engineers, industrial technicians and agricultural experts.

In Chile, it has helped to effect tax reform and improved tax collections systems, create a savings and loan system, and provide decent housing for low-income families.

In South Vietnam, U.S. technical assistance has helped to raise farm output, organize village health services and education programs, stamp out malaria, and initiate a public safety program against Vietcong attacks.

In Nigeria, technical assistance has helped to create a modern poultry industry, increase cement output, expand private industry, and reshape the educational system.

In Jordan, our technical assistance has meant a thriving tourist industry, more irrigation projects, tax reforms, and improved civil service administration.

Because we have learned that American assistance can have lasting effect only to the degree that it improves the ability of another country to do something for itself, we have set up as an objective of technical assistance the helping of developing countries to get on their own feet, by creating the facilities and the institutions, and training the people to solve their own problems.

It is important that we leave not only physical results—a dam, a road or a factory—but people who are ready, willing, and able to continue their own development when we have departed from their country. This is the mission of technical assistance of our aid program, and for this reason, if not for any other, H.R. 10871 deserves our full support.

As Americans we who believe more than any other people on earth in the concept of world brotherhood, we should take pride in this unselfish effort.

Mr. PATTEN. Mr. Chairman, the very nature of Communist theory makes the military assistance program of the

foreign aid bill an essential part of our foreign policy.

Communists are pledged to an international conspiracy to end systems of free enterprise and replace them with totalitarianism. If we are dedicated to the independence of the individual, we cannot sit idly by as Communists infiltrate one country after another. The security of the United States is at stake; the dignity of man in the balance.

An appropriation of \$1,170 million is requested for military assistance this fiscal year. About 72 percent of these funds will go to just 11 "forward defense" countries stretching from Greece to Korea along the Communist frontier. Without this aid, much greater burdens would have to be borne directly by our own military forces.

The request this year consists of a basic program of \$1 billion to meet minimum essential needs plus an additional \$170 million to cover extraordinary costs in Vietnam and Laos.

The total request is more than a quarter of a billion less than the annual average appropriation for fiscal years 1960 through 1964, and almost \$5 billion less than the peak appropriation at the time of the Korean war and NATO buildup. We have been able to reduce and, in some cases, eliminate programs in countries of increasing economic strength.

Credit sales are used more and more to supplement or substitute for military assistance grants.

Much of our military assistance goes for the purchase of a wide range of defense equipment and other materials. Training is also an essential component. Many present and future military leaders are brought to the United States to observe the functions of a responsible military establishment under civilian direction.

Military assistance also makes a direct contribution to U.S. security by providing funds for U.S. participation in collective security organizations such as NATO, CENTO, and SEATO.

Today the free world needs the strength and support of the United States. We cannot abandon our small allies to dictatorship. With our help they have a chance. Without it, they are lost. And, perhaps, so are we.

Mr. LANGEN. Mr. Chairman, we are being asked to vote for an increase of about \$35 million over last year's appropriation for the foreign aid program. I consider this completely indefensible and suggest instead that the amount can be substantially cut without any impairment of the aid program or international relationships.

The record in the past is only too clear. Foreign aid dollars have failed miserably in stopping the advance of communism in the world and have too often been used by the world's dictators as ammunition against the free world. There has been little guarantee that our money has ever reached the people for whom it was intended.

The American people, it seems to me, share the view that the foreign aid program should be completely revamped. The people want assurances that their money goes to those who really need

and appreciate it. They have not had those assurances in the past and they will not find assurances in the bill before us. The American people are extremely generous, and would not hesitate to spend the three-plus-billions of dollars asked if our Nation was really benefiting and the recipient nations were really using the funds to best advantage.

Foreign aid is said to be a tool of our foreign policy, and that is exactly what it should be. But it has failed in large measure in being a tool of any sort. We still continue to pass our aid to countries that are not only unfriendly, but openly hostile, siding constantly with our enemies. And when we try to write even one sentence into legislation in an effort to cut off such aid to hostile nations, the administration cries in anguish that our whole foreign policy will be impaired. We also hear the same cries of anguish when we try to cut a few dollars from the appropriation. But we have cut funds before and I dare say our foreign relations never suffered from a lack of funds. Our image may have become tarnished around the world in recent years, but as we pointed out in the minority views accompanying this bill, the impairment in our image was not due to any reduced amounts of foreign aid.

Mr. Chairman, Congress has completely lost its control over our foreign aid program. Once we appropriate the money, anything can happen. It is startling to note from the committee testimony that it would be perfectly possible for administrators of the aid program to testify before the committee requesting funds for a building and loan bank in Guatemala and then turn around and build a mountain resort in Brazil with the money. The program's administration is so lax that the Congress does not even hear about certain projects until after they have failed miserably through bungling and mismanagement.

In other words, the Congress and the American people have no effective way of stopping this foolish spending except to slash the funds available. I suggest we do just that and then develop a program that will really aid the needy of the world.

Actually, the present foreign aid program represents preferential treatment of foreign nations over the people of the United States. If anyone in our country wants a new dam, a flood control project, or any other local program, the interested parties must come to Congress with a workable plan. But not so with foreign interests and the foreign aid people. If they did have to come to Congress to justify their programs we would see fewer roads that lead to nowhere, fewer TV sets sent to bush country where there are no transmitters or electricity, fewer hay balers to a country that does not raise hay, and less eye shadow and bubble gum to Turkey.

Perhaps I would not be so concerned about all of this if the three-plus billions being considered today actually represented all of our foreign aid effort. But it does not. Requests for foreign assistance submitted to Congress this year amount to over \$7½ billion. And the

unexpended balance—pipeline—as of June 30, 1965, is estimated to be over \$10.6 billion.

The balance of trade has shown a significant trend. Some countries have been receiving our aid since the days of the Marshall Plan, and you would expect that it would have opened the way for increased U.S. trade. However, our commercial trade balance is in a significant downward glide.

The advocates of uncontrolled foreign aid tell us that it has no effect on the critical outflow of gold. But the facts indicate otherwise. For the 7-year period of 1958 through 1964, 57 countries who have received \$14.4 billion of our assistance also have purchased over \$7 billion in U.S. gold stocks during the same period. Fourteen of those countries bought an additional \$769 million of our gold during the first quarter of this calendar year 1965. These figures do not even include the benefits these countries have received in special tariff considerations on marketing their sugar, beef and other commodities in the United States.

We are told not to worry about the dollars spent on foreign aid because most of them are spent right here in this country. This is a myth that simply is not true. Close examination reveals that we are talking about only total commodity purchases. For example, in fiscal year 1963, \$855 million was spent on commodities out of total foreign aid grants and loans of \$5.17 billion.

Mr. Speaker, we in the minority on the Appropriations Committee believe that foreign assistance can be worthwhile, but we cannot subscribe to the present system. The focus of our foreign aid program should be upon responsive projects that use our abundance of food to feed the unfortunate peoples of the world where starvation is all too prevalent. And initiation of educational programs are needed to help the people of newly emerging nations to better enable them to take their place in a continually more complex civilization.

Until those worthy objectives have been accomplished, I suggest that we put a stop to the present program.

The CHAIRMAN. The time of the gentleman from Louisiana has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

Contingency fund, southeast Asia: For expenses authorized by section 451(a), \$89,000,000.

Mr. GROSS. Mr. Chairman, I move to strike out the necessary number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, it has been interesting to hear, starting with consideration of this bill on the floor of the House, the attempts to soft pedal the Pakistan-India war that is now going on. For years some of us have warned, and we were voices in the wilderness, that this Government was arming and otherwise aiding some countries thus making it possible for them to go to war against each other. I do not know why

the attempt is being made here today to minimize the war between India and Pakistan because as a result of this bill and maladministration of the foreign handout program there will be a continuation of the fatal errors already made.

This Government spent hundreds of million of dollars, yes billions, arming and otherwise helping those two countries. Yet it was only a few weeks ago that Prime Minister Shastri of India went to Moscow and while there told us we should get out of South Vietnam. He did our cause no good around the world by issuing such a statement. We have been trying to get some help in Vietnam. As a result of the \$130 billion that has been expended by this country around the world since the end of World War II on foreign giveaways, where have we found any friends to help us with the fighting and dying in Vietnam?

Still the leader of India goes to Moscow and while there tells us that we ought to get out of Vietnam, and gives comfort to those around the world who say, "We are delighted that you are doing the fighting. You go ahead and do the fighting and the dying."

A little while ago the gentleman from Ohio [Mr. Bow] asked where the money is going to come from to pay this bill. The same question has been asked year after year. The answer he gets is a lot of silence, as usual, from those who are so free with the money of others. I am afraid the gentleman from Ohio is a little bit too old fashioned to qualify for membership in the Great Society. Too few are concerned about the debt and deficits in this country, but they are concerned about deficits in foreign countries. As I mentioned a little while ago, the handout artists gave \$15 million to the government of Ecuador because of their budget deficit, when they had the credit to borrow money from the International Monetary Fund.

The gentleman from Maryland has tried to make an issue of the fact that we are not giving economic aid to some of the countries which are buying our gold. For example, let us consider France. We are no longer giving economic aid to France and probably not very much military assistance. But what would be the situation if France assumed the responsibility of defending France against the Communist conspiracy instead of the United States maintaining four or five divisions in Europe at being expense to American taxpayers?

We ought to bring those divisions home. France ought to be spending the money and providing the troops to defend France. She would not have quite so much money to buy our gold if she were providing her own defenses. The same statement applies to other countries of Europe.

After all these years, I think I have found the real answer to the attempts of the foreign aiders to rationalize the spending of our money around the world. I wish to read very briefly from page 1508 of the committee hearings when the subject of Togo was before the committee. The gentleman from Kansas [Mr. SHRIVER] asked the following question:

What is the purpose of our putting money into that country when other countries have been contributing toward their economic development?

Mr. HUTCHINSON's answer for the aid outfit was as follows:

The basic rationale is what I gave you earlier. The necessity for them showing that someone is interested in them rather than the people they used to have their dependence upon.

It was not a question of real need; it is a proposition of showing them that we are big, open-handed spenders; that we simply cannot let anyone prevent the Great Society from dissipating the resources of this Republic.

Mr. Chairman, this bill is a repeat performance of every other multi-billion dollar handout that has come down the pike for the past 17 years that I have been a Member of Congress. The American taxpayers are again being jobbed by those who have no policy except to continue the discredited effort to buy and bribe around the world.

Apparently it is utterly futile to try to cut this bill in the interests of trying to save this country from ultimate bankruptcy. I will vote against the bill.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman. (Mr. FISHER asked and was given permission to revise and extend his remarks.)

Mr. FISHER. Mr. Chairman, I rise to give my wholehearted support to that portion of the military assistance program which is directed to Nationalist China. The amount of money for Formosa is, of course, a classified figure, but I engage in no breach of security when I express my satisfaction that it is a figure larger than last year or the year before. We know from what has happened during the past decade that we get more for every dollar that is spent in military aid to our friends in the Republic of China than perhaps any other place in the world. That return is in the form of mutual security.

Our country is being honored at this time by a visit from the wife of the President of the Republic of China. Madame Chiang Kai-shek is one of the world's greatest women. She is universally respected and admired by the American people. She has been closely identified with the great struggle for human freedom in the Pacific area. We can benefit from her wise counsel and sound judgment.

Mr. Chairman, many of us have doubted the justification for billions of dollars in foreign economic aid which has not been productive of good results in recent years. I think history has vindicated our judgment in opposing many projects which have involved vast amounts of waste and extravagance. That, however, has not been the case in Formosa, where there is something tangible to show for our efforts. It is unfortunate that economic and military aid have always been lumped together in the same bills ever since foreign aid began. The two should be treated separately.

Our country, both through its economic-aid program and its military as-

sistance, has helped to weld a powerful military force on the island of Formosa. Today there are some 600,000 combat-ready troops plus a capable Air Force, a relatively small but effective Navy and other supporting units. With the situation being what it is in southeast Asia, there is no need to belabor the importance of these forces of the Republic of China to our own interests in the Far East—and indeed, throughout the world.

We hear and read much about the committed and uncommitted nations. There is no more committed nation than the Republic of China. They are ready—they are more than ready—they are anxious—to uphold freedom, and this they have proved over the last 16 years.

Sometimes we wonder who are our friends and how long they will remain our friends; we need have no doubt in this respect so far as Formosa is concerned. We have no better friends—and at this juncture in world affairs, we have no more important friends.

Our investment, both in economic and military aid, has, of course, been very large. And no assistance has provided greater rewards. Even if we were to view these large expenditures from the most narrow, parochial, and selfish standpoint, we would be justified in continuing our military aid to the Republic of China for the sole purpose of protecting the large investment which we have already made.

We are all aware that our economic aid to the Republic of China has now come to an end and there may be those who would say that this being so, the Republic of China is now capable of taking care of itself not only economically but militarily. Nothing could be further from the truth. The end of economic aid programs in Taiwan does not mean that the Chinese have become rich. Per capita income averages only \$150 a year as compared with something over \$2,500 in the United States. We would be short-sighted and foolish to even consider stopping or lessening our military aid to this bastion of freedom in the Far East.

It will be recalled that when a bill was being considered by the other body, an amendment was offered to add \$100 million to the amount in the bill for Formosa. The amendment was withdrawn and I must say that I regret this fact. It is my understanding from a reading of the RECORD that the amendment was withdrawn for only one reason—and that reason is that assurances were given which made the amendment unnecessary. I am not aware of the details underlying these assurances but I have every reason to believe that they must have been of a very persuasive nature.

A mere glance at a map of the far Pacific makes immediately evident the importance of the island chain of which Formosa is a vital link. This whole island chain furnishes bases to support the operation in South Vietnam and elsewhere in southeast Asia.

Although highly unlikely at this time, it is certainly not beyond the realm of possibility that our own air and naval

forces might at some time be required to take over the primary role in the containing of Communist China. Should that eventuality occur, these island bases are indispensable to that mission.

Today we have base facilities on Formosa which are, however, only on a standby basis. The security of Formosa is intimately tied to that of Okinawa and the Philippines, the sites of our principal advance air and naval base complexes.

Under no circumstances could this country—or the Western World—permit a Chinese Communist occupation of Formosa since this would expose both Okinawa and the Philippines to Communist infiltration and subversion.

Let us not for a moment forget that only a year ago in their letter to the Soviet Communist Party the Chinese asserted:

Two-thirds of the world's population need to make revolution * * * Violent revolution is a universal law of proletarian revolution. To realize the transition to socialism, the proletariat must wage armed struggle, smash the old state machine, and establish the dictatorship of the proletariat.

Red China now has a nuclear capability and the Free Chinese on Formosa feel more sharply than any of their Asian neighbors the shock of the Chinese Communist nuclear explosion for the very simple reason that they believe it foreshadows a military capability aimed directly at them. The Communists across the narrow straits that separate Formosa from Red China continue to pursue their campaign of political denunciation and military threat.

As Secretary McNamara testified to the Armed Services Committee earlier this year—

The Chinese on Taiwan (Formosa) must maintain, and we must continue to help them support, large modern military forces if their territory is to be defended.

And I will add, if all of our varied interests in the Far East are to be defended.

Perhaps there is no better summary of our national attitude toward Formosa than that expressed by Secretary of State Rusk during his visit to Taipei last year. During that visit he said:

The Communist regime on the mainland of China calls itself revolutionary and boasts of progress, despite the fact that its policies have inflicted terrible setbacks on the people of the mainland. It is the Government and people of the Republic of China who have been carrying out successfully progressive programs which reflect the true revolutionary inheritance of the three people's principles of Dr. Sun Yat-sen. These forward-looking programs continue to improve the well-being of the people of the Republic of China.

I salute the resolute will and positive achievement of the Republic of China under the leadership of President Chiang Kai-shek. The American people have always regarded the Chinese people with admiration. We value you as stalwart comrades in the struggle to secure a more prosperous, just, and satisfying life for all free men everywhere, and a peace safe from the threats of aggression. I look forward to discussions with your leaders on the major problems facing free men today. May the friendship and close understanding between our two peoples, as your own phrase puts it, live 10,000 years.

Let me conclude with this flat statement: We should give every measure of support to the Republic of China that is within our power. They are a stabilizing force in the Far East at this moment. They are a potential striking force at any time from this moment on should that necessity arise.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 3, line 12: Administrative expenses: For expenses authorized by section 637(a), \$54,240,000.

Mr. BENNETT. Mr. Chairman, I move to strike out the last word.

(Mr. BENNETT asked and was given permission to revise and extend his remarks.)

Mr. BENNETT. Mr. Chairman, I have long been a critic of how the foreign aid program has recently been carried out by our Government, and this criticism is felt by millions of Americans and by a large portion of Congress.

The tremendous financial outlay for foreign aid today is a great drain on the country's fiscal strength, especially in view of the recent large spending programs passed by Congress, and the real necessity to spend many billions of dollars on our military mission in Vietnam.

It is obvious that tremendous administrative improvements must be made in the foreign aid program and waste eliminated wherever possible.

Besides that, the program is far too flexible and lacks specific congressional attention and restriction to individual projects and countries.

I am a strong advocate of the military program of the foreign aid legislation being placed in the Department of Defense with review by Congress coming through the House and Senate Armed Services Committees. The military items should get the close scrutiny and careful attention that is given our own military expenditures. Nothing like this or even approaching this is presently the case and with more money going into crisis areas around the world we need this more than ever.

As we debate the appropriations measure in our foreign assistance program of 1966, let us now note that it is time to consider the next foreign aid program. We now need to study our whole approach to overseas spending, including payments to the United Nations, and to find a fresh approach to foreign aid which will best serve our national interest and keep the peace.

I have already mentioned the need to split the military aid and the economic aid portions of the program. I would also hope that further study might be given to my legislation which would ban payments to the United Nations for programs contrary to the policies of the United States.

The Vietnam war, the Dominican revolt, and the current fighting between India and Pakistan are all involved with our overall foreign aid program. There is no better time than now to make sure we are spending our foreign aid money in the right place at the right time. We should question ourselves as to whether

there would be any war in India and Pakistan today if we had not been pouring U.S. taxpayer dollars in there and increasing our own national debt to do it.

It seems to me we are in a rut with our continued policy of foreign aid.

Let us plan now to split our military and economic assistance.

Let us plan now to have a specific congressional check on all spending in each and every country we support with our aid.

Let us get a fresh approach to the program.

The CHAIRMAN. The Clerk will read.

The CLERK. Page 3, line 19:

Unobligated balances as of June 30, 1965, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, except as otherwise provided by law, are hereby continued available for the fiscal year 1966, for the same general purposes for which appropriated and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance" are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project or program previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs.

Mr. GROSS. Mr. Chairman, I make a point of order against the language appearing on page 3, beginning with line 19 and running through the remainder of that page to and through line 13 on page 4.

I made the point of order on the basis that the authorization bill contains section 649, which reads as follows:

SEC. 649. LIMITATION ON AGGREGATE AUTHORIZATION FOR USE IN FISCAL YEAR 1966.—Notwithstanding any other provision of this Act, the aggregate of the total amounts authorized to be appropriated for use during the fiscal year 1966, for furnishing assistance and for administrative expenses under this Act shall not exceed \$3,360,000,000.

Mr. Chairman, I point out that listed at the top of page 3 of the committee report is the "carryover from prior year appropriations," in the amount of \$158,352,000, which is a part of the unobligated carryover that is controlled under the language which I seek to strike under the point of order.

There is further "deobligations of prior-year obligations" listed in the report at the top of page 3. This is also controlled under the language that I seek to have stricken under the point of order.

Mr. Chairman, it is difficult to find the total amounts of all appropriations contained in the language to be found on pages 3 and 4, to which I have referred, but in order that this bill to be made to conform to the new section that was written into the authorization bill, which has been signed by the President of the United States and is now law, I submit

that the language in the bill to which I have referred must be stricken.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. PASSMAN. Yes, Mr. Chairman.

It appears to me that we are dealing with two different acts.

Under the authorizing legislation there was a ceiling of \$3,360 million of new appropriations. The bill before the House calls for only \$3,285 million in new appropriations. Some part of the previous money appropriated is 1-year funds and does not necessarily carry over, and we are following the language in the authorizing legislation itself.

I refer to section 645 of the Foreign Assistance Act of 1961 as amended:

Unexpended balances of funds made available pursuant to this Act, the Mutual Security Act of 1954, as amended or Public Law 86-735 are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

Mr. Chairman, I ask for a ruling.

Mr. GERALD R. FORD. Mr. Chairman, I should like to be heard on the point of order.

I believe it is necessary to read section 649, as shown on page 10 of the authorization conference report, very carefully. I read from page 10, section 649:

Limitation on aggregate authorization for use in fiscal year 1966.

I refer specifically to the inclusion of the words, "aggregate authorization."

The language goes on:

Notwithstanding any other provision of this Act, the aggregate of the total amounts authorized to be appropriated—

I repeat:

the aggregate of the total amounts authorized to be appropriated for use during the fiscal year 1966 for furnishing assistance and for administrative expenses under this Act shall not exceed \$3,360,000,000.

Now, the aggregate of the total amount is the \$3,285 million in new appropriations plus an admitted amount of re-appropriations of prior year appropriations under this act.

Under this act—under this act, I emphasize and reemphasize. The provision which the gentleman from Iowa seeks to strike on the point of order at the bottom of page 3 and the top of page 4 of the bill refers to all appropriations under this act, title I. I cannot help but argue as emphatically as I can that when you take the new money and the unobligated balances which are reappropriated, you inevitably go above the ceiling of the aggregate total amounts which are limited by the authorization act as is indicated in the report. It seems to me beyond any question of doubt the gentleman's point of order is valid.

Mr. MAHON. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I believe that the remarks made by the gen-

telman from Louisiana [Mr. PASSMAN] well cover the case before the Chair. I would point out that the gentleman from Michigan [Mr. GERALD R. FORD] made reference to the aggregate authorization. If you turn over to page 25 of the conference report on the authorizing bill, in the second paragraph, I think we see that the language quoted by the gentleman from Michigan has reference only to the appropriation of new funds. It does not seem to apply to reappropriations and recoveries. I would read the language which the committee inserted in the report:

This sum must be measured against the Executive appropriation request for fiscal year 1966 of \$3,459,670,000.

This is the figure which is being discussed in the language of the bill and so pointed out here in this conference report. Now I will continue, if I may:

The later figure includes amounts specifically authorized in this bill as well as the Executive appropriation requests against sums previously authorized for the Development Loan Fund, the Alliance for Progress, and for State Department administrative expenses.

And so forth. My point is that the language in the law quoted by the gentleman from Michigan and the gentleman from Iowa must be considered in the context of the budget request for new and not previously appropriated funds; namely about \$3.4 billion.

Mr. GERALD R. FORD. Mr. Chairman, I would like to be heard further on the point of order, if I may, please.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, I believe that the Chair has to look at this problem from the point of view of the availability of funds to the executive branch of the Government. The funds that come from new appropriations are identical as far as the executive branch of the Government is concerned with funds that come from reappropriation of prior year funds. Obligational authority is not different in either case. I refer specifically again, if I may, to section 649. Obviously they had in mind actual obligational authority from any and all sources, because they said:

Limitation on aggregate authorization for use in fiscal year 1966.

They go on to say:

Notwithstanding any other provision of this act, the aggregate of the total amounts authorized to be appropriated for use during fiscal year 1966 for furnishing assistance and for administrative expenses under this act shall not exceed \$3,360 million.

They say "the aggregate of the total amounts."

The Chair must appreciate that "total" means both new money and reappropriated funds. It is a clear-cut case that the conference report states all funds which would include new appropriations as well as reappropriations of unobligated balances from prior years.

Mr. PASSMAN. Mr. Chairman, may I be heard further on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Louisiana.

Mr. PASSMAN. On page 10, section 649:

Limitation on aggregate authorization for use in fiscal year 1966.—Notwithstanding any other provision of this Act, the aggregate of the total amounts authorized to be appropriated for use during the fiscal year 1966 for furnishing assistance and for administrative expenses under this Act shall not exceed \$3,360,000,000.

In each and every case the agency documents what the \$3,360 million represented. Had the conference intended to cancel out any prior year appropriations or unexpended funds they would have deleted from the bill section 645 which reads—at the expense of repetition—as follows:

SEC. 645. UNEXPENDED BALANCES.—Unexpended balances of funds made available pursuant to this Act, the Mutual Security Act of 1954, as amended or Public Law 86-735 are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

I contend if they did not want the Department and the Congress to have the right to continue the unobligated funds then certainly section 645 would have been deleted from the Foreign Assistance Act.

Mr. MORGAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I want to assure the gentleman from Michigan, as the head of the House conferees, that the House conferees did not have the intention that he just stated. We considered the words "to be appropriated during fiscal year 1966" to mean new money only. The House conferees did not consider that section 649 would apply to any but new funds, and so stated on page 25 of the conference report. The present bill appropriates only \$3,285 million in new money. The rest of the funds listed in the table on page 3 of the Appropriations Committee report refer to reappropriations of prior year appropriations.

Mr. GERALD R. FORD. Mr. Chairman, if I may be heard further, naturally I have great respect for the observations of the gentleman from Pennsylvania, the chairman of the House Committee on Foreign Affairs. But the clear language of section 649 does not coincide with the statement just made by the gentleman from Pennsylvania. I have read and reread the statement on the part of the managers, of which the gentleman from Pennsylvania was a part, and I find no such explanation on pages 24 or 25, that coincide with the statement just made by the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, if the gentleman will reread the statement made by the gentleman from Texas I am sure the explanation is definite that we did not mean what the gentleman has stated. Read the entire paragraph on

page 25, and I am sure you will understand the explanation.

Mr. GERALD R. FORD. Mr. Chairman I have read and reread that paragraph and it does not undermine the clear language of section 649 which speaks of "the aggregate of the total amounts authorized to be appropriated." When you talk about "the aggregate of total amounts authorized to be appropriated" you inevitably, invariably have to included not only new obligation authority but the reappropriation of previous unobligated balances from prior years. All are one and the same insofar as the impact on the Treasury is concerned.

They are one and the same thing from the point of view, Mr. Chairman, of the executive branch of the Government, and under that interpretation, which I think is clear and unequivocal, the point of order of the gentleman from Iowa [Mr. GROSS] is valid.

The CHAIRMAN (Mr. PRICE). The Chair is prepared to rule.

The gentleman from Iowa made his point of order against the language on line 19, page 3, and through line 13 on page 4.

The Chair, after careful examination of the sections in the conference report referred to by the various Members who have commented on this point of order, is constrained to agree that the language found in the conference report on page 25 referred to authorization contained in that particular bill and pertains only to new money.

There is a definite feeling on the part of the Chair that it did not pertain to carryover funds or to the making available of funds which under section 645 would remain and continue to be available.

The Chair feels that section 645 is sufficient to make these carryover funds in order and the Chair, therefore, overrules the point of order.

The Clerk will read.

The Clerk read as follows:

Page 7, line 10:

"SEC. 107. (a) No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, in addition to those items contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, any arms, ammunition, implements of war, atomic energy materials, or any other articles, materials, or supplies of primary strategic significance used in the production of arms, ammunition, and implements of war or of strategic significance to the conduct of war, including petroleum products."

AMENDMENT OFFERED BY MR. ROONEY OF NEW YORK

Mr. ROONEY of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROONEY of New York: On page 7, line 14, after the comma insert "or to North Vietnam," and on page 8, line 2, after the comma insert "or to North Vietnam".

Mr. ROONEY of New York. Mr. Chairman, I should like to briefly explain this pending amendment. This is the

amendment that I mentioned during the course of the colloquy a while ago with the distinguished gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. Chairman, this amendment would add the words "or to North Vietnam" to the first part of section 107 on page 7 of the bill, and the same words to the second or (b) section of section 107 at page 8 of the bill, the first of these referring to military assistance and the second to economic assistance.

Mr. Chairman, under this language no country may receive military assistance or economic assistance that sells, furnishes or permit any ships under its registry to carry the various items mentioned at page 7 of the bill to North Vietnam. That is it, pure and simple.

I have discussed this amendment at length with the distinguished gentleman from Louisiana [Mr. PASSMAN] and I believe he would agree that this amendment should be adopted.

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I should like to commend the gentleman from New York for offering this amendment, and to say that it is precisely the amendment I had intended to offer at this time.

I may say that by the adoption of this amendment we will make it clear to the countries of the world that we in the Congress do not intend to use the money we are exacting from our taxpayers to support any nation that is aiding North Vietnam. I commend the gentleman for the offering of the amendment, and I urge its adoption.

Mr. MOORE. Mr. Chairman, I rise in support of this amendment which would bar aid to nations whose vessels trade with Communist North Vietnam. I have recently been advised that Hanoi gets 45 percent of its imports from recipients of American aid. I have long found it difficult to understand the lack of active cooperation among our allies, especially those countries which would be in immediate danger of Communist infiltration and domination if the Communist Vietcong should capture control of the Saigon government. The inconsistency of asking the American taxpayer to pay the tax bill for the war in Vietnam and at the same time asking them to contribute their tax money to aid countries that are obviously supplying our enemy seems incredible to me.

For this reason, Mr. Chairman, I am planning later in the day to introduce legislation to prevent the use of American ports by vessels of any foreign nation which allows its vessels to trade with Communist North Vietnam. This seems to me to be the only method of stopping this ridiculous situation. I urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ROONEY].

The amendment was agreed to.

The Clerk read.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that the entire bill be considered as read, and open to amendment at any point.

The CHAIRMAN. Is there objection

to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. Are there any points of order remaining to any section of the bill?

If not, the Chair will receive amendments.

AMENDMENT OFFERED BY MR. THOMSON OF WISCONSIN

Mr. THOMSON of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMSON of Wisconsin: Page 12, immediately after line 7, insert the following new section:

"SEC. 116. None of the funds appropriated or made available under this act for carrying out the Foreign Assistance Act of 1961, as amended (except part II of that act), may be used to make payments with respect to any contract to which the United States is a party which provides for research into the administrative organization or operation, or personnel practices, of the Agency for International Development.

Mr. THOMSON of Wisconsin. Mr. Chairman, this is the amendment to which I referred during debate earlier in the day in my references to the craze of the Agency for International Development to enter into contracts.

As of last December the agency had entered into over \$400 million worth of contracts with universities and other corporate entities for doing the work of the AID agency. They have spent \$25 million in the field of research with these various corporations and universities. Much of the money they have wasted has been spent in searching out problems of their own agency.

For instance, they spent \$284,000 on contracts with a concern to tell them what kind of people they should hire for overseas assignments, and particularly for the four top jobs in their mission.

After reading the report that came back from after more than a quarter of a million dollars of expenditures, about all you could say for them was they were told not to put a square peg in a round hole.

It was an absolute waste of the taxpayers' money. It is something that should have been done with an inter-agency report and certainly it is something that should have been known to the agency after all the years they have been operating overseas. They certainly should have known what the jobs are of the four top people in the agencies abroad.

This is a very mild restraint to place upon this agency, an agency which is contracting out an increasing part of their own work. But it would be a little warning to the agency that this policy of contracting and contracting and contracting out, which I say is a craze for contracts in the agency, was not going to be tolerated without scrutiny by the Congress. I think it is time that we tapped their wrist a little bit gently at first and just restrict them so that they cannot use this money for research into the administrative organization of their own agency. Possibly next year the Committee on Foreign Affairs can take a long hard look at the way money is being spent in this contract policy.

I am hopeful the committee and the chairman will accept this amendment to place a little restraint on the agency. It is not going to involve a great deal of money but it will be a little warning to them that this policy of theirs is receiving the attention of this Congress and it will perhaps save a little money along the way.

Mr. PASSMAN. Mr. Chairman, I am constrained to rise in opposition to the amendment.

Mr. Chairman, had I known in advance that an amendment of this type would be offered and had it been discussed with the subcommittee prior to the completion of the hearings or subsequent thereto so that we could have considered the impact of the amendment, no doubt we would have found some merit in it.

It is my understanding that the total cost of research today in our Government is in excess of \$14 billion. In my candid opinion this is one place, inasmuch as it deals with personnel, in the AID agency, that this research is a good investment. I can assure the gentleman that this committee every year has conducted hearings on the amount of money needed for research. We have placed a limitation on the amount that could be spent for research. The total amount involved in this bill is \$12 million. I hope the committee will vote the amendment down. Then I should like, at some subsequent date, to have the distinguished gentleman who is a very able Member of this body but who is not a member of the Committee on Appropriations, or of the subcommittee handling this bill, to give us some indication as to where he would like to have the restrictions applied. But I am of the opinion that we should not approve of this amendment at this time and I trust it will be voted down.

Mr. ROONEY of New York. Mr. Chairman, I respectfully rise to urge defeat of the pending amendment.

Mr. Chairman, I have the utmost respect for the distinguished gentleman from Wisconsin [Mr. THOMSON] who is a fine Member of this body and a hard-working and capable gentleman. But this is the sort of thing that should have been submitted not earlier today but weeks ago. The hearings on this bill started months ago. If this had been submitted, as I say, weeks ago or during the hearings we would then know exactly what this means. But here and presently the situation is such that the committee finds itself confronted with a far-reaching amendment, as I read it, with about 2 minutes to read it. It would provide that none of these funds may be used for—what?—for research contracts. If this amendment were to be adopted, the agency would be prevented from taking steps designed to improve its own procedures.

Mr. Chairman, I respectfully suggest that the pending amendment be defeated and that the distinguished gentleman from Wisconsin [Mr. THOMSON] appear before the Committee on Appropriations the next time we have a foreign aid bill—

and I am sure I know somebody who hopes we never have another one. But anyhow, when we do, I am sure proper consideration will be given to his idea at that time.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I yield to the distinguished gentleman from California.

Mr. MILLER. Mr. Chairman, the present trend in research and development is to contract with private industry and with nonprofit organizations to do the research and development that cannot be done in-house, in Government.

The State of California has appealed to, and contracted with, the airplane industry to solve some of its economic and social problems. That action is designed merely to lay the groundwork for the future so that we can draw upon the brains of our country to solve our problems. The approach applies equally as well in the social sciences as it does in the physical sciences. To adopt the amendment would be a step in the wrong direction, and I ask for its defeat.

Mr. THOMSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I am pleased to yield to the distinguished gentleman.

Mr. THOMSON of Wisconsin. I am pleased to have the gentleman yield. I merely wondered why he did not make his eloquent argument in relation to his own amendment that he supported a minute ago in reference to trading with North Vietnam.

Mr. ROONEY of New York. That is a subject that was discussed, not merely for days, but for many, many weeks. I am sure that the gentleman from Wisconsin had no difficulty understanding it.

But at this point in these proceedings, I doubt very much that very many Members of this body understand the content of the gentleman's proposed amendment.

Mr. THOMSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I yield once more briefly to the gentleman from Wisconsin.

Mr. THOMSON of Wisconsin. That is very kind of the gentleman. I understand that the gentleman's amendment was not offered to the subcommittee. It was not offered to the full committee. It was discussed by the gentleman from Michigan. You picked it up. I wish that you had made your argument against that kind of procedure on your own amendment.

Mr. ROONEY of New York. The gentleman is utterly incorrect; I did not pick anything up. I have not spoken personally with the gentleman from Michigan today. I had no idea that he had an interest in such an amendment or that he was interested in the subject until he spoke here in the well of the House. For 5 minutes he would not permit me to tell him I had already prepared such an amendment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ROONEY of New York. I yield to the gentleman from Iowa.

(Mr. SMITH of Iowa asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Iowa. Mr. Chairman, the Congress of the United States has long recognized that free enterprise must be encouraged to the maximum extent possible to help the less developed countries achieve satisfactory levels of production and standards of living.

The great private sector of our economy is playing an increasingly important role in helping the developing countries meet their needs for human and material resources. Indeed, in our aid program American universities, business and professional firms, and service organizations play a vital role. There is no field of international development where private enterprise has not an important contribution to make. My colleagues will no doubt find the figures as impressive as I have.

In the field of education, over 100 universities hold more than \$172 million in AID contracts for research, surveys, training, and technical assistance at the end of fiscal 1965. As some of their most important work is helping to establish land-grant-type universities and agricultural extension services in the less developed countries, the battle between food production and the population boom may yet be won.

American cooperative and thrift institutions are providing the technical knowledge necessary to develop farm credit and marketing cooperatives, credit unions, savings and loan institutions, and housing and electric power cooperatives. Capital is thus being mobilized at the grassroots level. In just four Latin American countries alone, savings and loan associations have 95,000 members who have saved \$32 million. AID-assisted agricultural credit banks in 10 countries—9 of them in Latin America—have made more than 40,000 subloans for farm improvements.

Private American engineering and construction firms are supervising the design and construction of irrigation systems, power dams, fertilizer factories and the like in over 50 countries. These AID-assisted capital projects of some \$4 billion will help the developing countries build the groundwork essential to economic growth. To meet the continuing shortage of experienced managerial help, the International Executive Service Corps with strong encouragement from AID was established under private auspices during 1964 to provide the help of experienced American businessmen to entrepreneurs in the less developed countries. Already private business firms in more than 30 countries have expressed interest and the corps is already involved in projects in 12 countries and is considering activity in another 10 countries.

American labor is giving effective assistance to Latin America through AID contracts with the American Institute for Free Labor Development, an organization spearheaded by the AFL-CIO.

Since 1964 wider involvement in the Alliance for Progress has been achieved through the "Partners of the Alliance"

program. AID helped to establish and sustain this project in which U.S. communities and their local counterparts in underdeveloped countries, work jointly on problems of mutual interest. Twenty-five active partnerships have been developed and eight more will be activated in the near future.

American voluntary agencies have a long tradition of help to the needy in underdeveloped countries. Their work has not only provided essential food and supplies, but, by demonstrating the effectiveness of voluntary services, has strengthened the growth of voluntary effort in these countries. AID pays \$1 of shipping costs for every \$20 of supplies privately contributed to these agencies. The number of voluntary agencies working in the field of overseas development assistance is truly astonishing, and they provide a significant counterpart to governmental and intergovernmental efforts. Sixty-one agencies are registered with AID's Advisory Committee on Voluntary Foreign Aid and they are participating among other programs in material aid and relief programs, self-help efforts and refugee assistance.

We can be proud of the results which have been achieved in the foreign aid program by American business firms, universities, labor unions, and private organizations. I have introduced a bill which I believe will permit more efficient use of the experience developed by employees of these private organizations and I hope it will be considered next year; however, I am sure my colleagues will join with me in applauding in the efforts they have been making.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. THOMSON].

The amendment was rejected.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I do not know whether a research contract will be necessary to get the information that I desire. When I spoke on the bill earlier today, I neglected to ask the gentleman from Louisiana what he could tell the House about a situation in Thailand involving an individual who handled a lot of foreign-aid funds. I understand that a huge estate was left by a general over there who had 40 or 50 wives. I wonder if it will be necessary to employ some contract outfit to find out about that situation, or can the gentleman from Louisiana enlighten us?

Mr. PASSMAN. From a financial standpoint, a man with 50 wives would in all probability have to neglect some of them. There have been many rumors as to the wealth of the former Prime Minister to which the gentleman refers. I understand that it was once set at \$139 million; then scaled down to about \$60 million, and then down to about \$35 million. It was finally brought down to \$19 million. If sufficient time is given, they might be able to prove that Thailand owes the late Prime Ministers' estate some money.

Seriously, there is no way to determine the number of wives that the gentleman had, because I understand that he guarded one with great care. I do not know about the other 49, if there were that many. But according to the information given to us during the hearings this year—as shown on page 1129—when we were discussing the amount which the gentleman referred to, the following colloquy took place:

Mr. PASSMAN. Even \$19 million is a lot different than \$640,000.

Mr. POATS. The main elements that he held in his name was public lottery, gold imports, paper trade, match production.

That gentleman has been called to the Great Beyond.

We know that "graft" is accepted practice. We do not like it but we have to accept it. In certain parts of the world it is accepted practice to permit public officials to get by with such foolishness.

If the gentleman knows of any way to stop it, and will give me the information, the next time I go overseas I will see if I can get them to stop it.

Mr. GROSS. I can offer a pretty good suggestion as to a way to stop it. I suggest we quit paying off these corrupt government heads around the world. We should stop this business of foreign handouts completely where there is the slightest indication of corruption.

Mr. PASSMAN. I represent the majority of the committee, and not necessarily my personal views. Those have not changed very much since I last reported the bill 2 years ago.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

(Mr. DON H. CLAUSEN asked and was given permission to revise and extend his remarks.)

Mr. DON H. CLAUSEN. Mr. Chairman, once again we have before us the foreign aid bill that continues to be controversial. It is controversial now and will continue to be so with a broader, more extensive change in our foreign-aid philosophy takes place. In the first session of the 88th Congress, my first term of service, I brought to the attention of my colleagues the overwhelming need to change the direction, philosophy, and concept of our foreign-aid programs because of the extraordinary number of failures throughout the world. At that time, I strongly urged that stronger emphasis be placed on broadening the participation of the private sector and developing a trend away from the unsuccessful government-to-government approach.

I am frank to admit a marked trend in this direction has become increasingly noticeable as the advocates of government to government assistance grudgingly admit they have erred.

While I will oppose the bill on final passage for the many reasons spelled out in the committee report, I want to go on record as supporting the Peace Corps section of the bill. If this section were voted on separately, I am certain, the House would support the Peace Corps overwhelmingly. But, once again, we

are forced to accept the bad with the good through the omnibus approach. Again, however, I want to reiterate my position taken in 1963. The Peace Corps effort has been the best part of our foreign aid program but it, too, is limited in scope. We must vigorously advance the private Peace Corps concept. We must tell the leadership of our private sector that they have an obligation to lead the economic offensive throughout the world in order to counter the subversive economic and political offensive of our ideological adversaries—the Soviet Union and the Red Chinese. They are moving in this direction but until the Congress cuts back on foreign aid economic appropriations, we will never have the full commitment required of the private sector. The United States of America was once an underdeveloped country—our history books are filled with tried and proven methods to upgrade the standard of living desired throughout the world. We should preach the gospel of Americanism in every corner of the globe. We should take the offensive in presenting American techniques for development in a manner that is typically American—more leadership and emphasis in the private sector with a diminishing emphasis on public sector participation.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Missouri.

(Mr. HALL asked and was given permission to revise and extend his remarks.)

Mr. HALL. Mr. Chairman, last night the National Broadcasting Co. presented a 3½-hour so-called spectacular on American foreign policy. While I congratulate the network on this effort to provide the American people with a deeper understanding of history, I regret that, in the considerable discussion over the relative merits—or lack thereof—of foreign aid, the network did not see fit to quote our colleague from Louisiana, the distinguished chairman of the House Appropriations Subcommittee on Foreign Operations, whose observations and expertise on the conduct of the foreign aid program over the past years would have been invaluable to the American people. I find it exceedingly strange that none of our colleagues in either body of the Congress were called upon, especially on the eve of the annual consideration of this appropriation measure by the people-elected representatives.

Certainly, NBC is aware that foreign aid is highly controversial, yet every public figure appearing on the program to discuss the aid program was a supporter of the general concept. No member of either party from either House was queried for any observations on the aid program. Other than spokesmen for recipient countries, only the AID Administrator appeared on the program and he was not about to make any critical comment on the expenditure of over \$100 billion used to win friends and influence people.

For many years some very basic reasons have been presented to the Congress setting forth the need for redirect-

ing our entire foreign aid program. American taxpayers in growing numbers have expressed dissatisfaction with many aspects of the foreign aid program, for example, inclusion of the military assistance portion as a "sweetener" toward favorable passage, although not reviewed by the Armed Services Committee.

The ever-growing American commitment in Vietnam, and the heavy cost of that war, make it incumbent upon the Congress to review every program, foreign and domestic, to postpone or eliminate any unnecessary spending. The administration has promised this, but has failed. The magnitude of foreign aid spending is not fully known by the average taxpayer, nor for that matter, even by the above average taxpayer. Total requests for foreign assistance, which have been submitted to Congress this year by the Johnson administration, amount to over \$7½ billion. The unexpended balance—or the "pipeline"—as it is called, as of June 30, 1965, is over \$10½ billion. These are funds previously authorized, but not yet spent.

Our commercial trade balance with countries receiving aid has dropped sharply since 1960. The Latin American commercial trade balance is particularly alarming. There is a definite relationship between the gold outflow and the Federal Government's programs of spending in foreign countries. The foreign aid program needs a major re-vamping, and the Senate, plus the bulk of the American people, are in accord with this feeling. I believe our taxpayers would take a far better view of the program if they could see that the accomplishments were more favorable to the people of the recipient countries, and that the United States actually received favorable credit for that which they provide. It seems apparent to me that much of the foreign aid program has been misdirected, or perhaps undirected is a better word. We have given cash grants to dictators, and to neutral, and even unfriendly governments, with little of the benefits reaching the people. Everyone knows that no one can buy friends. As the House minority report on the 1965 foreign aid bill states, foreign aid has not halted either the expansion of communism, nor the drift of many aid recipient countries toward Communist ideologies. Witnesses testified before the committee on the need for separating the military assistance program from the economic aid program, a position I have taken ever since I arrived as a freshman Congressman over 5 years ago. It seems almost incredible that, in this the 17th year of the foreign aid program, more American embassies were stoned, more libraries were burned, more windows smashed, and more insults hurled than in any year since the program was inaugurated.

There's a television commercial advertising the use of a particular brand of toothpaste that includes the line: "Even your best friends won't tell you." It seems to me that the past year's record of attacks on American buildings overseas should tell us something, even if our best friends will not. It should tell us that no matter how much

we spend on foreign aid, it will not gain—or earn—the respect of other nations. Furthermore, I doubt that we are truly aiding them so much, as we are making them dependent on our material resources, when they should be learning to develop and make the most of their own. Many nations receiving American aid are worse off today than they were before. Our aid has been a crutch, which has only caused them to grow more dependent upon American help.

It is one thing to furnish technological help, and education that will enable underdeveloped nations to help themselves; but, regretfully, that has not been the direction of our aid. Instead, we have concentrated on material aid, blissfully ignoring the fact that if we took all of America's material resources and divided them up among the world's population, it would hardly be more than a week's supply.

Even though we may lack the votes in the House to reduce the foreign aid program, the day cannot be too far off when public action will catch up with public opinion and will demand respect for the United States of America, not image alone.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

At the beginning of the discussion on this bill today, the gentleman from Louisiana [Mr. PASSMAN] yielded to me for the reading of a statement which had been approved by the Secretary of State. In fact, I directly quoted the Secretary.

I had anticipated, when this statement was read, that the House would spend much of the afternoon discussing the war between Pakistan and India. The gentleman from Ohio discussed it some, and a few others made reference to it, but I do not believe the matter has been adequately discussed by the House.

Let me quote a portion of the statement by the Secretary of State:

The United States has suspended military aid shipments to both India and Pakistan, in keeping with its announced policy of full support for the efforts of the Security Council and of the Secretary General. The executive branch will consult fully with appropriate Members of the Congress about the situation in the subcontinent and the conditions under which military aid might be resumed.

One of my friends has indicated that in the motion to recommit it will be proposed that aid be withheld from any nation which is at war with a neighbor which receives assistance from the United States in the aid program. The provision would bar the aid.

The statement by the Secretary does not bar the resumption of aid tomorrow. It says that the aid is now suspended and will not be resumed without consultation with the leadership of the Congress. Those consulted would I believe include the gentleman from Michigan, the gentleman from Ohio [Mr. Bow], and others.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. The gentleman realizes that the possible amend-

ment to which he refers is one I discussed with him earlier today.

Mr. MAHON. That is correct.

Mr. RHODES of Arizona. A careful reading will convince the gentleman, I am sure, that upon the halting of any aggressive action between these two nations, the President could immediately resume aid.

Mr. MAHON. After they discontinued the aggressive actions the President could resume aid.

Mr. RHODES of Arizona. That is correct.

Mr. MAHON. It is correct.

Mr. RHODES of Arizona. We just do not like to have nations which have been receiving our military assistance shoot at each other. We believe there is something immoral about such a conflict.

Mr. MAHON. We do not like that. None of us likes that.

Let me read the proposed amendment which would be a portion of the motion to recommit, according, I think to the gentleman from Arizona:

None of the funds appropriated or made available pursuant to this act may be used to furnish military assistance under part 2 of the Foreign Assistance Act of 1961 as amended, to any country which is engaging in or preparing for aggressive military efforts directed against any country receiving assistance under the Foreign Assistance Act of 1961, as amended until—

Until what?

until the President determines that such aggressive military efforts or preparation have—

Have what?

have ceased and he reports to the Congress that he has received assurances satisfactory to him that such aggressive military efforts or preparation will not be renewed.

Now, this language shocks and disturbs me greatly. It shocks me to think that we would seriously consider the passage of this proposed provision. I will explain to you why. It is true that all nations which have received military and economic aid are much stronger as a result of this military and economic aid. We hope they are. That has been the purpose of the aid program—to strengthen free nations so that they can join with us in resisting aggression and communism.

Now, let me point out, in providing aid to India and Pakistan we were not blind to the fact that the nearest neighbor to India and Pakistan is Red China. We want Red China to have strong anti-Communist neighbors. Red China has not been mentioned very much in this debate, but it must be mentioned now. Let me say this: should Red China, following the passage of this legislation by the Congress, conclude that "Well, we can now again renew our aggression against India because the hands of the President, the Commander in Chief, the hands of the military forces of the United States are tied by this act of Congress," it would be a horrendous thing for this Government to tie its hands under these circumstances. We could not go to the aid of India when attacked by Red China as we have previously done. We could not because of this long-standing

feud which has ripened into a present conflict between India and Pakistan which may continue for quite some months. This is regrettable, but do not think for a moment that we should tie the hands of the President at such a critical time.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(Mr. MAHON, at the request of Mr. McCORMACK, was given permission to proceed for 5 additional minutes.)

Mr. MAHON. So the point is we would jeopardize the security of the United States by opening the door for Red China to attack India while the circumstances are favorable for such an attack. I say let us give the President the flexibility which he needs in these circumstances. He has withheld aid, and we all approve it for the time being. However, if Red China marches in, if he does not give aid and give it quickly to India, he would be making a tremendous mistake. He would not make such a mistake but would act responsibly in the best interests of the United States. We must not tie the President's hands in an area where our system of government requires him to act. Under this language we would tie his hands.

So I plead with the House not to vote for the motion to recommit which would tie the hands and the President in the event he should need to take action in behalf of India against Red China.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the distinguished Speaker of the House.

Mr. McCORMACK. The gentleman from Texas is making a very powerful appeal to the Members of the House. It is not an appeal to the emotions but an appeal to our reason in connection with the national interest of our own country. To tie the hands of the President by the adoption of this language might be decidedly against the national interest of the United States. Uppermost in the minds of all of us, I know, without regard to party, is the national interest of our country. Who can see history in the making? It is hard and difficult. But we do know there is a terrible situation existing over there that has already developed into a very aggravated state and which is likely to continue along more aggressive lines. Who can tell where it will lead? The Secretary of the United Nations is on a mission to that part of the world. We all hope and pray his mission will be successful. On the one hand Pakistan was our friend. Pakistan has entered into negotiations with Red China to some extent, but Pakistan has not yet left its association with the United States. It was only a few years ago when the U-2 incident occurred when the President of Pakistan was in London and he was asked about it. He said, "My country will investigate," and he added significantly, "But America is our friend." We have here a situation where, as the gentleman has well said, poised on the Indian border are a number of divisions of the Red Chinese. Back of it is the dread of the dangerous shadow and hand of Red China.

Who knows what will happen? Who knows what will occur if this amendment should be adopted? I join, not as a Democrat, but as an American who is serving in this body, with my distinguished friend from Texas, in the national interest of our country, in urging that such an amendment not be adopted.

Mr. MAHON. I thank the distinguished Speaker for his remarks. I know that India has long been more or less a neutral and nonwarlike country. India is not prepared to fight Red China with all its Chinese divisions. So it seems to me that the adoption of an amendment of this type on a motion to recommit would be playing into the hands of Red China. It is the last thing that the gentleman from Arizona [Mr. RHODES] would want to do.

It is for this reason that I pointed out to some of my friends on your side that there was a fatal error in this proposal. I hope that this is obvious to all.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Mr. Chairman, the gentleman from Texas has raised an awesome specter. I am sorry that he did not raise it with me prior to this time; he had ample opportunity to do so. The facts are that a perusal of this amendment leads to absolutely the opposite conclusions from those suggested by the gentleman from Texas. Obviously, if Red China were to attack either Pakistan or India, at that time the nation attacked would certainly not be an aggressor, it would be a defender against Communist aggression. This denies aid only to aggressor nations. I say to the gentleman from Texas that he must have completely misread this as to context and intent to have any idea that this was offered to or that it would result in aid or comfort to Red China.

(Mr. MAHON'S time having expired, at the request of Mr. ALBERT, he was given permission to proceed for 5 additional minutes.)

Mr. RHODES of Arizona. The gentleman has made some very unfortunate legislative history here which I hope I have corrected because, while the amendment has not been offered—and I will say to the gentleman from Texas that this amendment will not be offered—still, if it had been offered this discussion would have been very dangerous legislative history.

Mr. MAHON. I was told that the gentleman's proposal would be a part of a motion to recommit and that the amendment would provide that we would forestall all aid to any country receiving our assistance which is engaged in or even preparing for aggressive military efforts directed against any country receiving assistance under the Foreign Assistance Act of 1961, as amended, until the President determines that such aggressive efforts, and so forth, had ceased.

The President would have to find that Pakistan and India had quit fighting and peace had been restored and he would have to notify Congress before he could move in to assist the cause of freedom in

repelling acts of aggression by Red China against India.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Chairman, any fair reading of the amendment bears out the argument, and the telling argument, that the gentleman made when he first started talking; and that is that this might be an invitation for Red China to intervene. We are now giving and we will continue to give, although new commitments will not be made under the President's statement, economic assistance to both countries. But if Red China should move in, under this proposed amendment how could we move in in defense of the nation being assaulted by Red China?

Mr. MAHON. We could not do it because of this prohibition. In my judgment, we will not adopt such a prohibition.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. HAYS. The papers today say that Red China is threatening to come to the assistance of Pakistan. If she did, under the terms of this amendment, we could not help India at all. Our hands would be tied, would they not?

Mr. MAHON. The gentleman is absolutely correct, unless the war ceases and everything is settled and the President makes this finding and reports to Congress.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Mr. Chairman, I am sure that by now the gentleman from Texas knows that he is making a phony argument against a phantom amendment, an amendment which is not before the Committee. It is an amendment that will not be offered. So the gentleman is tilting at windmills. Any reading of this proposal, if it had been offered, would not permit a reasonable man in my opinion to come to the conclusion that he has, under the circumstances.

Mr. MAHON. I was told that this would be included in the motion to recommit. I told the gentleman from Michigan that it had a fatal defect which I would expose, if necessary. I believe I have exposed it. I state this with all sincerity, because there is certainly nothing phony about taking action which would be equivalent to inviting Red China to move into India.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the Speaker.

Mr. McCORMACK. Mr. Chairman, I think we are all happy to learn from the minority leader that the amendment referred to will not be included in the motion to recommit.

I think everyone would admit that the gentleman from Texas was justified in anticipating it and I am also sure that my friend, the gentleman from Michigan

[Mr. GERALD R. FORD] in extemporaneous debate when he used the word "phony," the gentleman did not mean it and that he will either apologize to the gentleman from Texas or substitute some other word for the word "phony."

Mr. MAHON. Mr. Chairman, I have accomplished my purpose, if the proposed motion to recommit including this language which I have described has been abandoned. I arose to speak because I felt that the House should not be required to vote on a motion to recommit which had not been discussed. The pitfalls and dangers would perhaps not be readily apparent and I considered some discussion in the public interest.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Oklahoma.

Mr. ALBERT. If the paper containing the proposed amendment and which has been circulated as an amendment is phony, I think it has been accurately described.

Mr. BOW. Mr. Chairman, I move to strike the requisite number of words.

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Chairman, may I say that following the troops from my right, it is rather difficult and I feel as though I need a little aid of some kind to resist such great oratory. But I believe I owe it to the House to talk about the motion to recommit.

Mr. Chairman, I regret that the gentleman from Texas did not discuss the motion to recommit with me, for I would have told him what the motion to recommit was going to be, as I did the Speaker a few minutes ago.

The language of the amendment that was to be offered by the gentleman from Arizona [Mr. RHODES] is not in the motion to recommit.

As to language in the motion to recommit which would withhold aid from opposing countries getting our aid—and I shall read it because I think the House is entitled to know exactly what is going to be in the motion to recommit—one part of the motion will be this, and it goes to the question of the money in the bill:

Notwithstanding any other provisions of this title, of the total sums appropriated under the heading "Economic Assistance," not more than \$1,182,460,000 may be used during the fiscal year ending June 30, 1966, for expenses for technical cooperation and development grants, international organizations and programs, Alliance for Progress, development loans, and development loans as authorized by sections 212, 302, 252 of the Foreign Assistance Act of 1961, as amended.

Mr. Chairman, this has to do with the money in the bill under "Economic assistance" and does not affect military assistance which we may need in Vietnam, Korea, and other areas for our own protection. This would reduce the bill by \$285 million in areas which the gentleman from Kansas [Mr. SHRIVER] has discussed and which have been fully debated and, therefore, there is no reason for me to go into it. We do not pinpoint the reduction, as this is a responsibility of the agency.

Now, may I speak to the crucial part of this motion. With reference to the funds authorized by military assistance, I will read to you the language of section 17—this is strictly a limitation:

None of the funds provided in this title shall be available for assistance to any country which is engaged in military action in opposition to another country, such countries having been recipients of aid under the Foreign Assistance Act of 1961, as amended, as of July 1, 1965.

Now, Mr. Chairman, let me make it crystal clear that this is a limitation and would be a limitation where our allies might be fighting, such as Pakistan and India. But under this, let us assume that the Red Chinese are poised on the border of India and may come in. May I point out that this is a denial of aid where the countries in the fight have been the recipients of aid.

Now, I am quite sure, although there is so much "secret and confidential" in this bill; we do not always know where the money is going—but I assume that Red China is not getting any aid. So, if the aggression is from Red China into India or into Pakistan, wherever it may be, there is no prohibition here against aid to the country to resist Communist aggression.

Mr. Chairman, we do not stop there. But what we are trying to say to our friends is this: "You cannot take the foreign aid which we are voting, amounting to millions and millions of dollars, to kill each other."

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Ohio.

Mr. HAYS. I am sympathetic with what the gentleman is trying to do, and that is to deny aid to Pakistan and India as long as they are fighting each other; but presume they continue fighting each other, and Red China comes in on the side of Pakistan. India and Pakistan are still fighting with each other, with Red China as an ally of Pakistan. Does not the gentleman's amendment deny aid to India?

Mr. BOW. No, because the aggression comes from a Communist country. If they are not receiving aid, we then can go in.

Mr. HAYS. I do not know who is the aggressor in this thing, whether Pakistan or India, but the thing that bothers me, if you can believe the press, Red China has issued a statement she will come to the assistance of Pakistan.

Mr. BOW. Yes.

Mr. HAYS. Under the language of the gentleman's amendment, as I heard it read, it seems to me unless India would completely quit fighting with Pakistan she could not get any aid, and if she did that she could only fight China while Pakistan was attacking on the other side.

Mr. BOW. I am glad the gentleman raised that question. We are making legislative history here. If the aggression comes from a country which is not the recipient of our aid, then we may aid the defending country. This would be the case in India. We would be permitted to aid India if the aggression comes from Red China.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Louisiana.

Mr. BOGGS. I think what the gentleman from Ohio is saying is not a question of direct aggression from China on India, but indirect aggression, let us say, from Pakistan, which would be the situation that your amendment would prohibit.

Mr. BOW. I believe it does.

Mr. BOGGS. Certainly it does.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent (at the request of Mr. Bow) he was allowed to proceed for 5 additional minutes.)

Mr. BOGGS. Will the gentleman read his proposed motion?

Mr. BOW. None of the funds provided in this title shall be available for assistance to any country which shall engage in military action in opposition to another country, such country having been the recipient—

Mr. BOGGS. Namely, Pakistan or India, either one.

Mr. BOW. Let me complete my statement, and then I will be delighted to yield to the gentleman—which shall engage in military action in opposition to another country, such countries having been the recipients of aid under the Foreign Assistance Act of 1961, as amended.

I yield to the gentleman from Louisiana.

Mr. BOGGS. If certain countries have been the recipient of aid under this program and this country is engaged in war with another country, which is also a recipient, then that country is barred?

Mr. BOW. That is true, as between Pakistan and India.

Mr. BOGGS. The question as posed by the gentleman from Ohio, as I understood it, it is not a direct attack by Red China on India or Pakistan, but an indirect attack through India on Pakistan, or through Pakistan on India, while both are fighting. In such event aid would be barred?

Mr. BOW. So long as the two countries are fighting, but if the opposition comes from a country not receiving this aid then we could give aid to them.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Oklahoma.

Mr. ALBERT. If you have the situation where Red China attacks one of two countries that are fighting each other, and you get Red China fighting one, and you have the two countries fighting each other, both of which have received our aid, the gentlemen's amendment means because Pakistan and India are fighting we cannot give any aid to either one or the other, even though one of them happens to be fighting on the side of Red China while fighting the other?

Mr. BOW. I do not agree with the gentleman.

Mr. ALBERT. That is what the gentleman's amendment says.

Mr. BOW. If the opposition comes from the country which is receiving aid, then the aid would stop.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman.

Mr. MOSS. Let us take the case of the announcement this morning where the government of Indonesia indicated very clearly its intention to give support to the government of Pakistan. Now supposing the government of Indonesia becomes a convert for assistance through the Communist bloc nations of the East, Red China. This is assistance that we have and evidently it is going into Pakistan. Then under your amendment we would have to deny assistance both to India and to Pakistan.

Mr. BOW. And to Indonesia.

Mr. MOSS. Well we have already stopped the assistance to Indonesia.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yielded to the gentleman.

Mr. HAYS. The thing that worries me is that the Chinese will do like they did in Korea—send in so-called volunteers through Pakistan to attack India and maybe attack India at the same time. If they do and India still continues to fight, she cannot get any aid; is that right?

Mr. BOW. If the Chinese volunteers such as you had in Korea would go into India, and India was not receiving aid from the United States, there would be no reason why we cannot give aid to fight them.

Mr. HAYS. If the gentleman will yield further, I think the amendment ought to be rewritten and make it crystal clear.

Mr. BOW. May I say this, I am perfectly willing to have this clarified because I think the gentleman from Texas—and I am sure he did not attempt to mislead anyone—did not have this language when he made his statement. That is the reason why I think the House is entitled to have that.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to make an observation here respecting this matter if I might, and I make this observation as one who expects to support the motion to recommit and likewise as one who many times at great political disadvantage to myself back home has supported this foreign aid program since its inception.

Now clearly nothing could be more ridiculous than that we would be sending our armies to the alleged friendly nations that are now warring with one another. I doubt if anyone here would say that that situation is tenable. So all that the gentleman from Ohio asks is that we write that in through the motion to recommit in order that there be no misunderstanding about it. When I come over here even before the gentleman from Texas took the floor, I inquired as to what would be in the motion to recommit. I think these amounts ought to be cut down. I think the Congress needs to deal with this problem involving the war going on between India and Pakistan right now. So when I looked at the mo-

tion to recommit, may I say to the gentleman from Texas, it did not have the language about which he complained earlier. I am inclined to agree with the gentleman from Arizona [Mr. RHODES] that you were reading into that proposed language something that is not there. That is not before us now.

It seems to me, Mr. Chairman, that the people over there who call on us to put the interest of our country above everything else—and that we have now done—are now grasping at straws to try to find something wrong with this language. Let me say as a practical matter this measure will go to the other body. The motion to recommit offered by the gentleman from Ohio has said what this is going to be done. It is not subject to amendment. It is not subject to change. But if this language does not do what the gentleman from Ohio says it does and which I say it does, then there will be plenty of opportunity to straighten it out.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, all this year I have been asking for help on the problem of adjusting the funds required for this foreign aid bill through statistics, correspondence, mailing, and so on. I did not get too much encouragement along the way from either side of the aisle. So the Congress in its wisdom—the great Committee on Foreign Affairs of the House and the Committee on Foreign Relations of the Senate authorized \$3,360 million. When the bill came before the subcommittee, I do not recall any motions being offered to reduce this bill down to \$3 billion, except, I know that the gentleman from Kansas [Mr. SHRIVER] thought the subcommittee recommendation was too high.

The same situation was true when the bill came before the full committee. At that time, it was pretty generally agreed that the amount contained in the bill was the amount that should be recommended. The proposal now comes a little bit late to cut the bill to \$3 billion. Had I received that type of encouragement from the distinguished gentleman from Ohio [Mr. Bow] and other Members who are now participating in the effort to recommit the bill, I would have been given new hope. Perhaps those clipped wings would have started sprouting sooner. But to wait until the bill has reached the floor of the House and then to offer a motion to cut the bill to \$3 billion, when the proposal had never been discussed at any other meeting so far as I know, is not the way to handle the matter. I hope the motion will be voted down. If the proponents of the motion continue to feel the way they do, let them make their case before those in the other body who will handle the measure, and we shall see what we can do with the other body in conference.

Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill as amended do pass.

Accordingly, the Committee rose; and the Speaker having resumed the chair,

Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time, and was read the third time.

MOTION TO RECOMMIT

Mr. BOW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOW. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Bow moves that the bill H.R. 10871 be recommitted to the Committee on Appropriations with instructions to report it back forthwith with the following amendments:

"SEC. 116. Notwithstanding any other provision of this title, of the total of the sums appropriated under the heading 'Economic Assistance', not more than \$1,182,460,000 may be used during the fiscal year ending June 30, 1966, for expenses for technical co-operation and development grants, international organizations and programs, Alliance for Progress development loans, and development loans, as authorized by sections 212, 302, 252, and 202(a), respectively, of the Foreign Assistance Act of 1961, as amended.

"SEC. 117. None of the funds provided in this title shall be available for assistance to any country which shall engage in military action in opposition to another country, such countries having been the recipients of aid under the Foreign Assistance Act of 1961, as amended, as of July 1, 1965."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 239, nays 143, not voting 50, as follows:

[Roll No. 269]

YEAS—239

Adams	Barrett	Brown, Calif.
Addabbo	Bates	Burke
Albert	Beckworth	Byrne, Pa.
Anderson,	Bell	Cabell
Tenn.	Bingham	Cahill
Annunzio	Blatnik	Callan
Arends	Boggs	Carey
Ashley	Boland	Celler
Aspinall	Bolling	Clark
Ayres	Brademas	Cleveland
Baldwin	Brooks	Clevenger
Bandstra	Broomfield	Cohelan

Conable
Conte
Conyers
Cooley
Corbett
Corman
Craley
Culver
Daniels
Dawson
Delaney
Dent
Denton
Diggs
Dingell
Donohue
Dow
Duncan, Oreg.
Dwyer
Dyal
Edmondson
Edwards, Calif.
Evans, Colo.
Evins, Tenn.
Fallon
Farbstein
Farnum
Fascell
Feighan
Findley
Flood
Fogarty
Foley
Ford, Gerald R.
Ford,
William D.
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Garmatz
Glaime
Gibbons
Gilbert
Gilligan
Gonzalez
Grabowski
Gray
Green, Oreg.
Green, Pa.
Greigg
Grider
Griffin
Hagen, Calif.
Halleck
Halpern
Hamilton
Hanley
Hansen, Iowa
Hansen, Wash.
Hardy
Harris
Hathaway
Hays
Hechler
Helstoski
Hicks
Hollifield

NAYS—143

Abbitt
Abernethy
Anderson, Ill.
Andrews,
Glenn
Andrews,
N. Dak.
Ashmore
Battin
Belcher
Bennett
Betts
Bow
Brock
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burlison
Burton, Utah
Byrnes, Wis.
Callaway
Carter
Casey
Cederberg
Chamberlain
Chelf
Clancy
Clausen,
Don H.
Collier
Colmer
Cramer

Horton
Hosmer
Howard
Huot
Irwin
Jacobs
Joelson
Johnson, Calif.
Jones, Ala.
Karsten
Karth
Kastenmeier
Keith
Kelly
Keogh
King, Calif.
King, Utah
Kirwan
Kluczynski
Krebs
Kunkel
Landrum
Leggett
Long, Md.
Love
McCarthy
McDade
McDowell
McFall
McGrath
McVicker
Macdonald
Machen
Mackay
Mackie
Madden
Mahon
Mailliard
Matsumaga
Matthews
Meeds
Miller
Minish
Mink
Monagan
Moorhead
Morgan
Morrison
Morton
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nelsen
Nix
O'Brien
O'Hara, Ill.
O'Hara, Mich.
Olsen, Mont.
Olson, Minn.
O'Neill, Mass.
Ottinger
Passman
Patman
Patten
Pelly
Perkins

Philbin
Pickle
Pike
Price
Pucinski
Purcell
Quie
Reddin
Reid, N.Y.
Reuss
Rhodes, Pa.
Rivers, Alaska
Robison
Rodino
Rogers, Colo.
Ronan
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roybal
St Germain
St. Onge
Scheuer
Schisler
Schmidhauser
Schweiker
Selden
Senner
Sickles
Slack
Smith, Iowa
Smith, N.Y.
Springer
Stafford
Staegers
Stalbaum
Stratton
Stubblefield
Sullivan
Sweeney
Teague, Calif.
Tenzer
Thompson, N.J.
Thompson, Tex.
Todd
Trimble
Tunney
Tupper
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Vivian
Watts
Weltner
Whalley
White, Idaho
Widnall
Wolff
Wright
Wylder
Yates
Young
Zablocki

Harvey, Ind.
Harvey, Mich.
Henderson
Herlong
Hull
Hutchinson
Ichord
Jarman
Jennings
Johnson, Okla.
Johnson, Pa.
Jonas
King, N.Y.
Laird
Langen
Latta
Lennon
Lipscomb
Long, La.
McCulloch
McEwen
McMillan
Marsh
Martin, Nebr.
Michel
Mills
Minshall
Mize
Moeller
Moore
Morris
Mosher

Murray
O'Konski
O'Neal, Ga.
Poff
Pool
Quillen
Race
Randall
Reid, Ill.
Reinecke
Rhodes, Ariz.
Rivers, S.C.
Roberts
Rogers, Fla.
Rogers, Tex.
Roudebush
Roush

Adair
Andrews,
George W.
Ashbrook
Baring
Berry
Bolton
Bonner
Bray
Burton, Calif.
Cameron
Clawson, Del
Daddario
de la Garza
Derwinski
Downing
Dulski
Farnsley

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Toll for, with Mr. Bray against.
Mr. Ryan for, with Mr. Reifel against.
Mr. Downing for, with Mrs. May against.
Mr. Daddario for, with Mr. Adair, against.
Mr. Kee for, with Mr. Martin of Alabama against.
Mrs. Bolton for, with Mr. George W. Andrews against.
Mr. Morse of Massachusetts for, with Mr. Baring against.
Mr. Pirnie for, with Mr. Bonner against.
Mr. Martin of Massachusetts for, with Mr. Fuqua against.
Mr. Mathias for, with Mr. Hungate against.
Mr. Lindsay for, with Mr. Younger against.
Mr. MacGregor for, with Mr. Berry against.
Mr. Cameron for, with Mr. Saylor against.
Mr. Dulski for, with Mr. McClory against.
Mr. Pepper for, with Mr. Derwinski against.
Mr. Charles H. Wilson for, with Mr. Del Clawson against.
Mr. Sisk for, with Mr. Ashbrook against.
Mrs. Griffiths for, with Mr. de la Garza against.
Mr. Resnick for, with Mr. Hébert against.

Until further notice:

Mr. Holland with Mr. Burton of California.
Mr. Roncallo with Mr. Hawkins.
Mr. Gallagher with Mr. Powell.
Mr. Hanna with Mr. Farnsley.
Mr. Thomas with Mr. Kornegay.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the foreign aid appropriation bill for the fiscal year 1966 just passed.

The SPEAKER pro tempore (Mr. ROOSEVELT). Without objection, it is so ordered.

There was no objection.

STEEL SETTLEMENT

(Mr. ALBERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALBERT. Mr. Speaker, Labor Day of 1965 is a day that will be long remembered. It will be remembered, most appropriately, as the day on which management and labor in the steel industry amicably resolved their differences and spared the Nation a paralyzing strike.

Over this past Labor Day weekend, the representatives of management and labor, together with the President, the Secretary of Commerce, the Secretary of Labor, and other Government leaders, accomplished what some thought impossible. Through their skillful and unstinting efforts, they achieved a steel agreement which is fair to labor, fair to management, and fair to the people of the United States. And they did this peacefully, and in the best traditions of the collective-bargaining system.

Had they done less, there would today be nearly half a million American workmen out of work. Hundreds of thousands more would be waiting with grim anticipation for spreading shortages in steel to wipe out their own jobs. Merchants would find their sales diminishing and the American steel industry would be duly losing to foreign manufacturers customers who would never return. Such has been the dire result of every steel strike in our history.

Thanks to the restraint, the wisdom, and the patriotism shown by the steel negotiators over this past Labor Day weekend, however, the situation is quite different. We now look forward, at the very least, to another uninterrupted 3 years of peace in the steel industry. We may confidently anticipate a continuation of our already unprecedented 54 months of uninterrupted economic expansion.

The settlement which brings these benefits to the Nation is also fair to management and just to labor. Labor has achieved better health benefits, better pensions, and a significant wage increase, both immediately and for the months ahead.

Management has achieved a settlement which will enable it to continue its contributions toward the price stability of our economy. It has achieved a settlement which will let it now go forward with its plans for modernization, to further improve its competitive position, and its ability to meet our growing national needs.

Most remarkable of all, this has been achieved within the price-wage guidelines laid down by the Government as the key to a continuing non-inflationary prosperity. I note with extreme pleasure that the wage increases called for in this settlement, when averaged over the 39 months since the last contract expired, amount to an average annual increase of exactly 3.2 percent. This is the exact percentage specified in the price-wage guidelines as a proper annual increase for American labor, based on the average annual increase in labor productivity.

Thus, every American has cause to remember what was accomplished this weekend, past, and to be grateful to those dedicated men who achieved it. They have served their country well. They have honestly and skillfully represented the American workmen on the one hand, and the American investor on the other. Finally, they have set before the world a never-to-be-forgotten example of what the American system of free enterprise and collective bargaining can accomplish.

During their negotiations, the President expressed his conviction to the representatives of both management and labor to conduct themselves with full regard to the "importance of their efforts to every man and woman in this country of ours, and to the health and the vitality of our economy, and the security of America all around the world."

Now we have the results of their negotiations, and we see that the President's faith was fulfilled.

PERSONAL ANNOUNCEMENT

(Mr. CUNNINGHAM asked and was given permission to address the House for 1 minute.)

Mr. CUNNINGHAM. Mr. Speaker, on yesterday during rollcalls No. 263, No. 264, and No. 265, I was absent. Had I been present, I would have voted "yea." I had to leave the House Chamber because my 15-year-old son was struck down by a truck of the Evening Star Publishing Co. while he was bicycling and for that reason I was absent. I want the Record to show I would have voted "yea" had I been present on those three rollcall votes.

INCREASE OF BONNEVILLE POWER RATES

(Mr. DUNCAN of Oregon asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN of Oregon. Mr. Speaker, I have read with disappointment and regret the Secretary of Interior's announcement that the Bonneville Power Administration is petitioning the Federal Power Commission for an increase in its power rates, averaging about 3 percent. The announcement is not unexpected and is much less onerous than previous proposals. It is, in my judgment, however, unnecessary and not in the best interests of the Pacific Northwest.

Oregon and the Pacific Northwest have been blessed with trees and water. Adequate supplies of water for irrigation, industrial and domestic use and for cheap hydroelectric power have represented a most important economic advantage for Oregon in the heated competition for development. Some say it is our only economic advantage and that this is more than offset by high freight rates, recurring shortages of railroad cars and the great distances from the large concentrations of people where the profitable markets exist.

Competing interests—geographical, industrial, and power users and suppliers—have long wanted to either share our Northwest resources or reduce the economic advantages inherent therein or both.

Power presently surplus to our needs will soon be exported to the Southwest. Only by diligent hard bargaining was this accomplished under conditions of mutual advantage to the two sections of the country with protection for the rights of the Northwest.

Another great battle looms as the Southwest looks over the water in northern California to the Columbia River for additional supplies to water the parched Southwest and to further develop that area in direct competition with our own.

The power rate increase is an attack on the Northwest, demanded more by pragmatic political considerations involving the continued development of hydroelectric power than by the economic necessities. In meetings with the Bonneville Power Administration officials and the Secretary of the Interior, neither made a convincing case that rate increases were necessary at this time.

The statistical basis on which the increase is predicated is tenuous and speculative, involving predictions of economic conditions, interest rates, labor and other costs, revenues and new production and transmission facilities for many, many years in advance—at least up through the year 2030.

The newly announced rate policy, in effect, asks present Bonneville Power Administration customers to pay in advance for power projects not yet begun and for which money has not yet even been appropriated by the Congress.

Rates can be reviewed again in 1969. There is ample time to adjust them to avert a deficit projected in the next century. There will be fewer variables to consider then. Indeed, the whole concept of the 50-year payout period for generating structures is too low. I know of no private utility which depreciates its facilities on that basis when they know the useful life is much longer.

I oppose the increase. If a rate increase must come, I repeat, this one is less onerous than I feared. It will not destroy the Northwest, but it cripples us.

I urge the Secretary of the Interior to withdraw his application, or, should that not occur, I urge the Federal Power Commission to deny it.

THE POVERTY PROGRAM

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKINSON. Mr. Speaker, I have been requested by letter by the chairman of the Education and Labor Committee to advise him of any criticism of the poverty program. As things comes to my attention, I will be pleased to reply here on the floor of the House of Representatives.

One of the many, many things wrong is that there are too many apple polishers and not enough apple pickers in the

Poverty Corps. This is now a matter of public record, and shows how badly the poverty program is failing.

American mothers are losing their sons in Vietnam where we are fighting a hot war. Yet in the military there is only one supergrade employee to every 1,100 civilians. But in the war on poverty there is one supergrade—earning up to \$24,500 a year—to every 18 employees. These supergrades earn more than Army, Navy, and Air Force officers who have devoted a lifetime to the Nation and who today risk their lives in Vietnam. It is disgraceful. It is disgusting.

Meanwhile, State authorities have been forced to ask that thousands of foreigners—Canadians and West Indians—be brought into the United States to harvest the apple crop in Virginia and West Virginia. This while our "job camps" are bulging with people eating high on the hog who would not pick apples. These are the overprivileged who live in idle luxury for which the rest of us pay. Since Sargent Shriver cannot make them pick apples, I suggest he send into the orchards this week his staffers—400 of them earning \$35 to \$100 daily. I hear some of them are getting sick licking postage stamps. Imagine bringing in foreigners while our taxpayers support in luxury people too proud to pick apples.

The chairman of the House Education and Labor Committee has just written me asking if I have any criticisms of the so-called poverty program. I have. It makes Teapot Dome look like a tea party. [From the Washington (D.C.) Star, Aug. 27, 1965]

ROBERTSON ASKS FOREIGN APPLE PICKERS

Virginia Senator A. WILLIS ROBERTSON, Democrat, of Virginia, has asked the Secretary of Labor to authorize Virginia apple-growers to bring in 2,500 foreign workers.

ROBERTSON said in a letter yesterday that the Labor Department's program of using domestic workers to harvest crops was inadequate.

He wrote Secretary Willard Wirtz that Robert C. Goodwin, Labor Department Manpower Administrator, testified yesterday before a subcommittee of the Senate Appropriations Committee that he had lined up 500 apple pickers for Virginia.

"But I presented to Mr. Goodwin the estimate received today from Charles S. Toan, executive secretary, Frederick County Fruit Growers Association, stating that Virginia would need 5,000 workers to harvest the current crop * * *

"Since your present top estimate of the number of apple harvesters that you can bring into Virginia is only 500, why can't you now authorize Virginia growers to bring in up to 2,500 foreign apple pickers? That will still leave a demand for five times as many domestic pickers as I think you will be able to furnish."

ROBERTSON said "millions of dollars are at stake in a labor movement experiment which has not panned out in other areas and which is not going to pan out in Virginia, West Virginia or any other apple State of the Atlantic seaboard."

The hearing yesterday was on a request by Goodwin for \$1,968,000 to finance labor recruitment programs.

Goodwin promised a decision around Labor Day on whether to permit importation of workers from Canada and the British West Indies.

89TH CONGRESS
1ST SESSION

H. R. 10871

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1966, namely:

1 TITLE I—FOREIGN ASSISTANCE
2 FUNDS APPROPRIATED TO THE PRESIDENT
3 MUTUAL DEFENSE AND DEVELOPMENT

4 For expenses necessary to enable the President to carry
5 out the provisions of the Foreign Assistance Act of 1961, as
6 amended, to remain available until June 30, 1966, unless
7 otherwise specified herein, as follows:

8 ECONOMIC ASSISTANCE

9 Technical cooperation and development grants: For
10 expenses authorized by section 212, \$202,355,000.

11 American schools and hospitals abroad: For expenses
12 authorized by section 214 (c) , \$7,000,000.

13 International organizations and programs: For expenses
14 authorized by section 302, \$144,755,000.

15 Supporting assistance: For expenses authorized by sec-
16 tion 402, \$369,200,000.

17 Contingency fund, general: For expenses authorized by
18 section 451 (a) , \$50,000,000.

19 Contingency fund, southeast Asia: For expenses author-
20 ized by section 451 (a) , \$89,000,000.

21 Alliance for Progress, technical cooperation and develop-
22 ment grants: For expenses authorized by section 252,
23 \$75,000,000.

24 Alliance for Progress, development loans: For expenses

1 authorized by section 252, \$445,125,000, together with such
2 dollar amounts as are authorized to be made available for
3 assistance under section 253, all such amounts to remain
4 available until expended.

5 Development loans: For expenses authorized by sec-
6 tion 202 (a), \$675,225,000, together with such amounts as
7 are authorized to be made available for expenses under sec-
8 tion 203, all such amounts to remain available until ex-
9 pended: *Provided*, That no part of this appropriation may
10 be used to carry out the provisions of section 205 of the
11 Foreign Assistance Act of 1961, as amended.

12 Administrative expenses: For expenses authorized by
13 section 637 (a), \$54,240,000.

14 Administrative and other expenses: For expenses au-
15 thorized by section 637 (b) of the Foreign Assistance Act
16 of 1961, as amended, and by section 305 of the Mutual
17 Defense Assistance Control Act of 1951, as amended,
18 \$3,100,000.

19 Unobligated balances as of June 30, 1965, of funds
20 heretofore made available under the authority of the
21 Foreign Assistance Act of 1961, as amended, except as
22 otherwise provided by law, are hereby continued available
23 for the fiscal year 1966, for the same general pur-
24 poses for which appropriated and amounts certified pursuant

1 to section 1311 of the Supplemental Appropriation Act,
2 1955, as having been obligated against appropriations here-
3 tofore made under the authority of the Mutual Security Act
4 of 1954, as amended, and the Foreign Assistance Act of
5 1961, as amended, for the same general purpose as any of
6 the subparagraphs under "Economic Assistance" are hereby
7 continued available for the same period as the respective
8 appropriations in such subparagraphs for the same general
9 purpose: *Provided*, That such purpose relates to a project
10 or program previously justified to Congress and the Com-
11 mittees on Appropriations of the House of Representatives
12 and the Senate are notified prior to the reobligation of funds
13 for such projects or programs.

MILITARY ASSISTANCE

15 Military assistance: For expenses authorized by section
16 504 (a) of the Foreign Assistance Act of 1961, as amended,
17 including administrative expenses authorized by section 636
18 (g) (1) of such Act, which shall not exceed \$23,500,000
19 for the current fiscal year, and purchase of passenger motor
20 vehicles for replacement only for use outside the United
21 States: *Provided*, That none of the funds contained in this
22 paragraph shall be available for the purchase of new auto-
23 motive vehicles outside of the United States, \$1,170,000,000.

GENERAL PROVISIONS

SEC. 101. None of the funds herein appropriated (other than funds appropriated under the authorization for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per memorandum of the President dated May 15, 1962.

SEC. 102. Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

SEC. 103. Except for the appropriations entitled "Contingency fund", "Alliance for Progress, development loans", and "Development loans", not more than 20 per centum of any appropriation item made available by this title shall

1 be obligated and/or reserved during the last month of avail-
2 ability.

3 SEC. 104. None of the funds herein appropriated nor
4 any of the counterpart funds generated as a result of assist-
5 ance hereunder or any prior Act shall be used to pay pen-
6 sions, annuities, retirement pay or adjusted service compen-
7 sation for any persons heretofore or hereafter serving in the
8 armed forces of any recipient country.

9 SEC. 105. The Congress hereby reiterates its opposition
10 to the seating in the United Nations of the Communist
11 China regime as the representative of China, and it is hereby
12 declared to be the continuing sense of the Congress that the
13 Communist regime in China has not demonstrated its will-
14 ingness to fulfill the obligations contained in the Charter of
15 the United Nations and should not be recognized to represent
16 China in the United Nations. In the event of the seating
17 of representatives of the Chinese Communist regime in the
18 Security Council or General Assembly of the United Nations
19 the President is requested to inform the Congress insofar
20 as is compatible with the requirements of national security,
21 of the implications of this action upon the foreign policy of
22 the United States and our foreign relationships, including
23 that created by membership in the United Nations, together
24 with any recommendations which he may have with respect
25 to the matter.

1 SEC. 106. It is the sense of Congress that any attempt
2 by foreign nations to create distinctions because of their race
3 or religion among American citizens in the granting of per-
4 sonal or commercial access or any other rights otherwise
5 available to United States citizens generally is repugnant to
6 our principles; and in all negotiations between the United
7 States and any foreign state arising as a result of funds
8 appropriated under this title these principles shall be applied
9 as the President may determine.

10 SEC. 107. (a) No assistance shall be furnished under
11 the Foreign Assistance Act of 1961, as amended, to any
12 country which sells, furnishes, or permits any ships under its
13 registry to carry to Cuba, so long as it is governed by the
14 Castro regime, or to North Vietnam, in addition to those
15 items contained on the list maintained by the Administrator
16 pursuant to title I of the Mutual Defense Assistance Control
17 Act of 1951, as amended, any arms, ammunition, imple-
18 ments of war, atomic energy materials, or any other articles,
19 materials, or supplies of primary strategic significance used
20 in the production of arms, ammunition, and implements of
21 war or of strategic significance to the conduct of war, in-
22 cluding petroleum products.

23 (b) No economic assistance shall be furnished under
24 the Foreign Assistance Act of 1961, as amended, to any
25 country which sells, furnishes, or permits any ships under its

1 registry to carry items of economic assistance to Cuba, so
2 long as it is governed by the Castro regime, or to North
3 Vietnam, unless the President determines that the withhold-
4 ing of such assistance would be contrary to the national
5 interest and reports such determination to the Foreign Rela-
6 tions and Appropriations Committees of the Senate and
7 the Foreign Affairs and Appropriations Committees of the
8 House of Representatives. Reports made pursuant to this
9 subsection shall be published in the Federal Register within
10 seven days of submission to the committees and shall contain
11 a statement by the President of the reasons for such deter-
12 mination.

13 SEC. 108. Any expenditure made from funds provided in
14 this title for procurement outside the United States of any
15 commodity in bulk and in excess of \$100,000 shall be reported
16 to the Committees on Appropriations of the Senate and the
17 House of Representatives at least twice annually: *Provided*,
18 That each such report shall state the reasons for which the
19 President determined, pursuant to criteria set forth in section
20 604 (a) of the Foreign Assistance Act of 1961, as amended,
21 that foreign procurement will not result in adverse effects
22 upon the economy of the United States or the industrial
23 mobilization base which outweigh the economic or other
24 advantages to United States of less costly procurement out-
25 side the United States.

1 SEC. 109. (a) No assistance shall be furnished to any
2 nation, whose government is based upon that theory of gov-
3 ernment known as communism under the Foreign Assistance
4 Act of 1961, as amended, for any arms, ammunition, imple-
5 ments of war, atomic energy materials, or any articles, ma-
6 terials, or supplies, such as petroleum, transportation mate-
7 rials of strategic value, and items of primary strategic
8 significance used in the production of arms, ammunition,
9 and implements of war, contained on the list maintained by
10 the Administrator pursuant to title I of the Mutual Defense
11 Assistance Control Act of 1951, as amended.

12 (b) No economic assistance shall be furnished to any
13 nation whose government is based upon that theory of gov-
14 ernment known as communism under the Foreign Assistance
15 Act of 1961, as amended (except section 214 (b)), unless
16 the President determines that the withholding of such assist-
17 ance would be contrary to the national interest and reports
18 such determination to the Foreign Affairs and Appropria-
19 tions Committees of the House of Representatives and For-
20 eign Relations and Appropriations Committees of the Senate.
21 Reports made pursuant to this subsection shall be published
22 in the Federal Register within seven days of submission to
23 the committees and shall contain a statement by the Presi-
24 dent of the reasons for such determination.

25 SEC. 110. None of the funds appropriated or made avail-

1 able pursuant to this Act for carrying out the Foreign As-
2 sistance Act of 1961, as amended, may be used for making
3 payments on any contract for procurement to which the
4 United States is a party entered into after the date of enact-
5 ment of this Act which does not contain a provision author-
6 izing the termination of such contract for the convenience of
7 the United States.

8 SEC. 111. None of the funds appropriated or made avail-
9 able by this or any predecessor Act for the years subsequent
10 to fiscal year 1962 for carrying out the Foreign Assistance
11 Act of 1961, as amended, may be used on or after 60 days
12 from the date of enactment of this Act to make payments
13 with respect to any contract for the performance of services
14 outside the United States by United States citizens unless the
15 President shall have promulgated regulations that provide
16 for the investigation of such citizens for loyalty and security
17 to the extent necessary to protect the security and other in-
18 terests of the United States: *Provided*, That such regulations
19 shall require that any such United States citizen who will
20 have access, in connection with the performance of such
21 services, to information or material classified for security
22 reasons shall be subject to such investigation as may other-
23 wise be provided by law and executive order.

24 SEC. 112. None of the funds appropriated or made avail-
25 able under this Act for carrying out the Foreign Assistance

1 Act of 1961, as amended, may be used to make payments
2 with respect to any capital project financed by loans or
3 grants from the United States where the United States has
4 not directly approved the terms of the contracts and the firms
5 to provide engineering, procurement, and construction serv-
6 ices on such projects.

7 SEC. 113. Of the funds appropriated or made available
8 pursuant to this Act not more than \$12,000,000 may be
9 used during the fiscal year ending June 30, 1966, in carrying
10 out section 241 of the Foreign Assistance Act of 1961, as
11 amended.

12 SEC. 114. None of the funds appropriated or made avail-
13 able pursuant to this Act for carrying out the Foreign Assist-
14 ance Act of 1961, as amended, may be used to pay in whole
15 or in part any assessments, arrearages or dues of any member
16 of the United Nations.

17 SEC. 115. None of the funds made available by this
18 Act for carrying out the Foreign Assistance Act of 1961,
19 as amended, may be obligated on or after April 30, 1964,
20 for financing, in whole or in part, the direct costs of any
21 contract for the construction of facilities and installations in
22 any underdeveloped country, unless the President shall, on
23 or before such date, have promulgated regulations designed
24 to assure, to the maximum extent consistent with the national
25 interest and the avoidance of excessive costs to the United

1 States, that none of the funds made available by this Act and
 2 thereafter obligated shall be used to finance the direct costs
 3 under such contracts for construction work performed by
 4 persons other than qualified nationals of the recipient country
 5 or qualified citizens of the United States: *Provided, however,*
 6 That the President may waive the application of this amend-
 7 ment if it is important to the national interest.

8 TITLE II—FOREIGN ASSISTANCE (OTHER)

9 FUNDS APPROPRIATED TO THE PRESIDENT

10 PEACE CORPS

11 For expenses necessary to enable the President to carry
 12 out the provisions of the Peace Corps Act (75 Stat. 612), as
 13 amended, including purchase of not to exceed five passenger
 14 motor vehicles for use outside the United States, \$102,000,-
 15 000, together with not to exceed \$12,100,000 of funds pre-
 16 viously appropriated which are hereby continued available
 17 for the fiscal year 1966, of which not to exceed \$24,100,000
 18 shall be available for administrative expenses.

19 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

20 RYUKYU ISLANDS, ARMY

21 ADMINISTRATION

22 For expenses, not otherwise provided for, necessary to
 23 meet the responsibilities and obligations of the United States
 24 in connection with the government of the Ryukyu Islands,
 25 as authorized by the Act of July 12, 1960 (74 Stat. 461).

1 as amended (76 Stat. 742) ; services as authorized by sec-
2 tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of
3 individuals not to exceed ten in number; not to exceed
4 \$4,000 for contingencies for the High Commissioner, to be
5 expended in his discretion; hire of passenger motor vehicles
6 and aircraft; purchase of one passenger motor vehicle, for
7 replacement only; and construction, repair, and maintenance
8 of buildings, utilities, facilities, and appurtenances; \$14,-
9 733,000, of which not to exceed \$2,733,000 shall be avail-
10 able for administrative and information expenses: *Provided*,
11 That expenditures from this appropriation may be made out-
12 side continental United States when necessary to carry out
13 its purposes, without regard to sections 355 and 3648, Re-
14 vised Statutes, as amended, section 4774(d) of title 10,
15 United States Code, civil service or classification laws, or
16 provisions of law prohibiting payment of any person not
17 a citizen of the United States: *Provided further*, That
18 funds appropriated hereunder may be used, insofar as
19 practicable, and under such rules and regulations as
20 may be prescribed by the Secretary of the Army to
21 pay ocean transportation charges from United States ports,
22 including territorial ports, to ports in the Ryukyus for the
23 movement of supplies donated to, or purchased by, United
24 States voluntary nonprofit relief agencies registered with and

1 recommended by the Advisory Committee on Voluntary
2 Foreign Aid or of relief packages consigned to individuals
3 residing in such areas: *Provided further*, That the President
4 may transfer to any other department or agency any func-
5 tion or functions provided for under this appropriation, and
6 there shall be transferred to any such department or agency,
7 without reimbursement and without regard to the appropria-
8 tion from which procured, such property as the Director of
9 the Bureau of the Budget shall determine to relate primarily
10 to any function or functions so transferred: *Provided further*,
11 That reimbursement shall be made to the applicable military
12 appropriation for the pay and allowances of any military
13 personnel performing services primarily for the purposes of
14 this appropriation.

15 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
16 ASSISTANCE TO REFUGEES IN THE UNITED STATES

17 For expenses necessary to carry out the provisions of
18 the Migration and Refugee Assistance Act of 1962 (Public
19 Law 87-510), relating to aid to refugees within the United
20 States, including hire of passenger motor vehicles, and serv-
21 ices as authorized by section 15 of the Act of August 2,
22 1946 (5 U.S.C. 55a), \$32,265,000.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide assistance to refugees, as authorized by law, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158) ; allowances as authorized by the Overseas Differentials and Allowances Act (5 U.S.C. 3031-3039) ; hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) ; \$7,575,000, of which not to exceed \$7,050,000 shall remain available until December 31, 1966: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere: *Provided further*, That \$371,000 of the balances of prior year appropriations under this head shall remain available until December 31, 1965.

1 FUNDS APPROPRIATED TO THE PRESIDENT

2 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

3 For subscription to the Inter-American Development
4 Bank for the second installment on the increase in callable
5 capital stock and for the second installment of the United
6 States share in the increase in the resources of the Fund for
7 Special Operations of the Bank, \$455,880,000, to remain
8 available until expended.

9 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

10 ASSOCIATION

11 For payment of the first installment of the supplemen-
12 tary contributions of the United States to the International
13 Development Association, \$104,000,000, to remain available
14 until expended.

15 TITLE III—EXPORT-IMPORT BANK OF

16 WASHINGTON

17 The Export-Import Bank of Washington is hereby au-
18 thorized to make such expenditures within the limits of funds
19 and borrowing authority available to such corporation, and in
20 accord with law, and to make such contracts and commit-
21 ments without regard to fiscal year limitations as provided
22 by section 104 of the Government Corporation Control Act,
23 as amended, as may be necessary in carrying out the pro-
24 gram set forth in the budget for the current fiscal year for
25 such corporation, except as hereinafter provided.

LIMITATION ON OPERATING EXPENSES

Not to exceed \$1,186,120,000 (of which not to exceed \$900,000,000 shall be for long term project and equipment loans) shall be authorized during the current fiscal year for other than administrative expenses.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$4,052,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insur-

1 ance, and reinsurance, shall be considered as nonadministra-
2 tive expenses for the purposes hereof.

3 None of the funds made available because of the provi-
4 sions of this title shall be used by the Export-Import Bank
5 to either guarantee the payment of any obligation hereafter
6 incurred by any Communist country (as defined in section
7 620 (f) of the Foreign Assistance Act of 1961, as amended)
8 or any agency or national thereof, or in any other way to
9 participate in the extension of credit to any such country,
10 agency, or national, in connection with the purchase of any
11 product by such country, agency, or national, except when
12 the President determines that such guarantees would be in
13 the national interest and reports each such determination to
14 the House of Representatives and the Senate within 30 days
15 after such determination.

16 TITLE IV—GENERAL PROVISIONS

17 SEC. 401. No part of any appropriation contained in this
18 Act shall be used for publicity or propaganda purposes within
19 the United States not heretofore authorized by the Congress.

20 SEC. 402. None of the funds herein appropriated shall
21 be used for expenses of the Inspector General, Foreign As-
22 sistance, after the expiration of the thirty-five day period
23 which begins on the date the General Accounting Office or
24 any committee of the Congress, or any duly authorized sub-
25 committee thereof, charged with considering foreign assist-

1 ance legislation, appropriations, or expenditures, has deliv-
2 ered to the Office of the Inspector General, Foreign
3 Assistance, a written request that it be furnished any docu-
4 ment, paper, communication, audit, review, finding, recom-
5 mendation, report, or other material in the custody or control
6 of the Inspector General, Foreign Assistance, relating to any
7 review, inspection, or audit arranged for, directed, or con-
8 ducted by him, unless and until there has been furnished to
9 the General Accounting Office or to such committee or sub-
10 committee, as the case may be, (A) the document, paper,
11 communication, audit, review, finding, recommendation,
12 report, or other material so requested or (B) a certification
13 by the President, personally, that he has forbidden the fur-
14 nishing thereof pursuant to such request and his reason for
15 so doing.

16 This Act may be cited as the "Foreign Assistance and
17 Related Agencies Appropriation Act, 1966."

Passed the House of Representatives September 8, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965
Read twice and referred to the Committee on
Appropriations

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Sept. 14, 1965
For actions of Sept. 13, 1965
89th-1st; No. 168

CONTENTS

Administrative expenses.....15	Food prices.....4	Reclamation.....12
Appropriation.....2	Foreign aid.....2	Research animals.....18
Conservation.....13	Foreign trade.....5,14	Tariffs.....8,19
Cotton.....19	Job corps.....6	Water sresources.....17
Dairy.....1	National parks.....9	Wheat.....3
Disaster relief.....16	Pay.....11	Wildlife.....13
Farm labor.....1	Personnel.....7,11,15	Wool.....19
Farm program.....1	Price support.....1	

HIGHLIGHTS: Senate debated farm bill. Senate committee reported foreign aid appropriation bill. Sens. Young, N. D. and Burdick criticized restrictions on wheat shipments to Russia. House adopted resolution for consideration of Federal pay bill.

SENATE

1. FARM PROGRAM. Continued debate on H. R. 9811, the farm bill. pp. 22621, 22645-89, 22690, 22691-7, 22705

Agreed to the following amendments:

By Sen. Bass, 46 to 45 (with the Vice President voting yea to break a tie vote), to strike out Sec. 706 of the bill which would have provided that whenever the application of any law requires determinations to be made of the amounts of labor needed for the production and harvesting of any agricultural crop, such determinations shall be made by the Secretary of Agriculture (pp. 22645-71). By a vote of 45 to 44, tabled a motion by Rep. Bass to reconsider the vote by which the amendment

was agreed to (p. 22671).

By Sen. Proxmire, 57 to 27, to include dairy provisions in the bill similar to those in the bill as passed by the House which would assign to each producer in a milk order area a fluid milk base in lieu of a blended price on total production used for fluid consumption and for manufacturing into butter, cheese, powdered milk, and other milk products. pp. 22671-89

Rejected three amendments by Sen. Miller to the Proxmire dairy amendment to eliminate language respecting transfer of allocations of producers, to eliminate language respecting a regulated handler's own production of milk, and to add language respecting proportion of highest use classification sales of milk for area covered by marketing order of the total producer deliveries of milk in such area. pp. 22683-8

Pending/^{at}adjournment was an amendment by Sen. Brewster to provide that no producer shall be eligible for price-support loans under any USDA program in excess of \$10,000 for any one year. p. 22691

-
2. FOREIGN AID APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 10871 (S. Rept. 708). p. 22703

 3. WHEAT. Sens. Young, N. D., and Burdick criticized the 50-50 shipping restrictions on wheat sold to Russia and Communist-bloc countries and inserted several items in support of their position. pp. 22710, 22725-6
 4. FOOD PRICES. Sen. Miller defended the farmer against allegations that he "is to blame for the rise in food prices," and inserted several items in support of his position. pp. 22641-5
 5. FOREIGN TRADE. Sen. Dodd stated that "there is a growing realization among the major trading countries of the world that non-tariff obstacles to the free exchanges of goods and capital are as every bit restrictive as tariffs," and inserted two articles reviewing such obstacles to foreign trade. pp. 22727-9
 6. JOB CORPS. Sen. Neuberger expressed concern that "people who join the Job Corps will be stereotyped in the public mind," and inserted an item, "Job Corps Image Nonexistent." p. 22732
 7. PERSONNEL. Sen. Sparkman urged that Congress "begin considering future, more comprehensive legislation" to provide cost of living increases for retired Federal employees. p. 22734
- HOUSE
8. TARIFF. Received the conference reports on H. R. 5768, to provide that a study be made of the feasibility of separate classifications in the Tariff Schedules for yarns of man-made fibers commonly referred to as textured or texturized yarns, and for a report to Congress by Feb. 1, 1966 (H. Rept. 978)(P. 22765); and H. R. 7969, to correct certain errors in the U. S. Tariff Schedules (H. Rept. 979)(pp. 22765-70).
 9. NATIONAL PARKS. The Interior and Insular Affairs Committee reported without amendment H. R. 9417, to revise the boundary of Jewel Cave National Monument, S. Dak. (H. Rept. 981). p. 22771
 10. EMPLOYMENT. Adopted a resolution for the consideration of H. R. 10065, to more effectively prohibit discrimination in employment because of race, color

FOREIGN ASSISTANCE AND RELATED AGENCIES
APPROPRIATION BILL, 1966

SEPTEMBER 13, 1965.—Ordered to be printed

Mr. PASTORE, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 10871]

The Committee on Appropriations, to whom was referred the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House_____	\$4, 001, 453, 000
Amount of decrease by Senate committee_____	94, 265, 000
Amount of bill as reported to the Senate____	3, 907, 188, 000
Amount of estimates, 1966_____	4, 188, 923, 000
Amount of appropriations, 1965_____	3, 909, 488, 000
The bill as reported to the Senate:	
Under the estimates for 1966_____	281, 735, 000
Under the appropriations for 1965_____	2, 300, 000

Summary of the bill

Title	Item	Budget estimates (amended)	Bill as it passed House	Recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—	
					Budget estimate	Bill as it passed House
I	Foreign assistance.....	\$3,459,470,000	\$3,285,000,000	\$3,193,000,000	-\$266,470,000	-\$92,000,000
II	Foreign assistance (other).....	729,453,000	716,453,000	714,188,000	-15,265,000	-2,265,000
III	Export-Import Bank of Washington (limitations).....	(1,190,172,000)	(1,190,172,000)	(1,190,172,000)		
	Total.....	4,188,923,000	4,001,453,000	3,907,188,000	-281,735,000	-94,265,000

GENERAL STATEMENT

The appropriations recommended in this bill total \$3,907,188,000. These include appropriations for titles I and II. Title III of the bill includes limitations for the Export-Import Bank of Washington.

For title I, which encompasses economic as well as military assistance, \$3,193,000,000 is recommended. This is \$92,000,000 below the House allowance, \$167,000,000 below the sum authorized in the Foreign Assistance Act of 1965, and \$266,470,000 under the budget estimates. Of the total recommended for this title, \$2,023,000,000 is for economic assistance, and \$1,170,000,000 is for military assistance.

Title II of the bill includes funds for the Peace Corps, administration of the Ryukyu Islands, various activities relating to assistance to refugees, and financing for the Inter-American Development Bank and the International Development Association, for which the committee recommends a total of \$714,188,000. Of this amount, \$102,000,000 is the recommendation for the Peace Corps, which is the House allowance.

The request of the administration for foreign assistance under title I for fiscal year 1966 was in the amount of \$3,459,470,000. In the authorization act, the Congress set a ceiling for the 1966 appropriation at not to exceed \$3,360,000,000. The ceiling established in the authorization act did not set specific amounts for each of the various programs, but left to the judgment of the executive branch the allocation of reductions which would bring the total of the various programs within the limitation. The following table reflects the amounts authorized under the ceiling of \$3,360,000,000 as distributed by the executive branch for the various items, with the House-passed bill and Senate committee recommendations:

FOREIGN ASSISTANCE APPROPRIATIONS, 1966

Funds available—Foreign assistance, title I, fiscal year 1966

Item	Appropriation, 1965	Estimate, 1966	Revised figures as of Aug. 19, 1965, based upon ceiling of author- ization act	Passed House	Senate committee
NEW OBLIGATIONAL AUTHORITY					
Technical cooperation and development grants.....	\$202,070,900	1 \$219,000,000	\$202,355,000	\$202,355,000	\$202,355,000
American schools and hospitals abroad.....	16,800,000	7,000,000	7,000,000	7,000,000	7,000,000
Surveys of investment opportunities.....	1,600,000				
International organizations and programs.....	134,272,400	145,555,000	144,755,000	144,755,000	144,755,000
Supporting assistance.....	401,000,000	1 449,200,000	369,200,000	369,200,000	369,200,000
Contingency fund, general.....	99,200,000	50,000,000	50,000,000	50,000,000	50,000,000
Contingency fund, southeast Asia.....			2 89,000,000	89,000,000	89,000,000
Alliance for Progress:					
Technical cooperation and development grants.....	84,700,000	85,000,000	75,000,000	75,000,000	75,000,000
Development loans.....	425,000,000	495,125,000	470,125,000	445,125,000	435,125,000
Development loans.....	773,727,600	780,250,000	725,225,000	675,225,000	593,225,000
Administrative expenses:					
AID.....	53,600,000	55,240,000	54,240,000	54,240,000	54,240,000
State.....	3,029,100	3,100,000	3,100,000	3,100,000	3,100,000
Subtotal, economic assistance.....	2,195,000,000	2,289,470,000	2,190,000,000	2,115,000,000	2,023,000,000
Military assistance.....	1,055,000,000	1,170,000,000	1,170,000,000	1,170,000,000	1,170,000,000
Total, foreign assistance (new obligatory authority).....	3,250,000,000	3,459,470,000	3,360,000,000	3,285,000,000	3,193,000,000

CARRYOVER FUNDS	
Unobligated funds carryover into new fiscal year-----	
Reimbursements and receipts-----	
Recoveries (deobligations)-----	
Transfer from DOD appropriation (sec. 510)-----	
Subtotal, carryover of funds-----	
Grand total, funds available-----	

28,865,000	158,352,000	158,352,000	158,352,000
8,533,000	32,100,000	32,100,000	32,100,000
289,897,000	155,170,000	155,170,000	155,170,000
75,000,000			
402,295,000	345,622,000	345,622,000	345,622,000
3,652,295,000	3,805,092,000	3,705,622,000	3,538,622,000

¹ Includes \$9,000,000 for "technical cooperation" and \$80,000,000 for "supporting assistance," for southeast Asia.

² Authorization Act authorized \$89,000,000 for "southeast Asia," rather than additional authorization for "technical cooperation," and "supporting assistance" programs.

The foregoing table also shows the appropriations for last year and the original budget submission for fiscal year 1966. In addition, carryover funds are reflected in the total.

The foreign aid program of the Government of the United States continues to be an important adjunct of its foreign policy and an effective instrument in its objective of providing less-developed nations with technical knowledge and the necessary financial assistance to achieve greater economic growth and governmental stability, increased utilization of national resources, and improved living standards.

A table detailing the recommendations for the individual appropriation items contained in the bill is printed at the conclusion of this report.

TITLE I—FOREIGN ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

ECONOMIC ASSISTANCE

TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

1965 appropriation-----	\$202, 070, 900
1966 budget estimate-----	210, 000, 000
1966 budget estimate, revised (H. Doc. 197)-----	219, 000, 000
House allowance-----	202, 355, 000
Committee recommendation-----	202, 355, 000

The committee concurs in the House allowance and recommends an appropriation of \$202,355,000 for technical cooperation and development grants, which is \$16,645,000 under the budget estimate.

On June 3, 1965, the President submitted an amendment to his original estimate for this appropriation in the sum of \$9 million, for the purpose of underwriting feasibility studies for development projects in southeast Asia. Subsequently, the authorizing legislation transferred this amount to the appropriation item, contingency fund, southeast Asia, and this \$9 million reduction is reflected in the above recommendation.

The funds in this appropriation are programed to provide technical assistance to the less-developed nations in such areas as education, agriculture, health, sanitation, communications, transportation, and public administration, as well as to pay ocean freight charges on relief shipments by approved American nonprofit voluntary agencies and to finance research concerning problems of economic development.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

1965 appropriation-----	\$16, 800, 000
1966 budget estimate-----	7, 000, 000
House allowance-----	7, 000, 000
Committee recommendation-----	7, 000, 000

The committee concurs in the House allowance and recommends the budget estimate for American schools and hospitals abroad. This is a reduction of \$9,800,000 below the 1965 appropriation, which is occasioned largely by the completion of financing for the new medical center at the American University at Beirut. The funds provided will be programed as follows:

Name and location of institution	Fiscal year 1964	Fiscal year 1965	Proposed, fiscal year 1966
214(a) program:			
1. American University of Beirut, Lebanon (including medical center).....	\$4,240,000	\$12,500,000	\$2,000,000
2. International College of Beirut, Lebanon.....	1,500,000	0	0
3. American Farm School, Thessaloniki, Greece.....	180,000	125,000	-----
4. Anatolia College, Thessaloniki, Greece.....	291,000	80,000	-----
5. Athens College, Greece.....	300,000	70,000	-----
6. Pierce College, Athens, Greece.....	921,000	125,000	-----
7. Robert College, Istanbul, Turkey.....	2,800,000	1,500,000	-----
8. American University in Cairo, Egypt.....	¹ 1,400,000	² 1,100,000	³ 1,200,000
9. Escuela Agricola Panamericana, Tegucigalpa, Honduras.....	470,000	250,000	-----
214(b) program:			
10. Admiral Bristol Hospital and Nursing School, Istanbul, Turkey.....	0	250,000	-----
11. Polish Children's Hospital, Krakow, Poland.....	⁴ 6,100,000	0	0
12. Seagraves Hospital and Nursing School, Burma.....	0	⁵ 30,000	-----
13. Project HOPE.....	1,600,000	1,500,000	1,500,000
Total.....	19,802,000	17,530,000	⁶ 7,000,000

¹ \$800,000 in foreign currency.² In foreign currency.³ \$1,100,000 foreign currency.⁴ \$3,900,000 in U.S.-owned Polish zlotys.⁵ Pending, to be made in foreign currency.⁶ Total includes classified figures.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

1965 appropriation.....	\$134,272,400
1966 budget estimate.....	155,455,000
1966 budget estimate, revised (H. Doc. 150).....	145,555,000
House allowance.....	144,755,000
Committee recommendation.....	144,755,000

For international organizations and programs the committee concurs in the House allowance and recommends \$144,755,000, which is \$800,000 under the revised budget estimate. The President in a message to Congress on April 17, 1965, reduced the original budget estimate by \$9.9 million to reflect a reduction by the International Bank for Reconstruction and Development in its estimates for fiscal year 1966 cash requirements for the Indus Basin development fund.

The authorization act placed a ceiling of \$144,755,000 for this appropriation by reducing the program for the United Nations Relief and Works Agency for Palestine by \$800,000.

The funds provided will permit the participation of the Government of the United States in the following international organizations and programs:

U.N. Expanded Program of Technical Assistance and Special Fund.....	\$65,000,000
U.N. Technical and Operational Assistance to the Congo.....	5,000,000
U.N. Relief and Works Agency for Palestine Refugees.....	15,200,000
U.N. Children's Fund.....	12,000,000
U.N. Food and Agriculture Organization—World Food Program.....	2,000,000
International Atomic Energy Agency—Operational Program.....	1,000,000
Indus Basin Development Fund.....	43,100,000
International Secretariat for Volunteer Service.....	120,000
World Health Organization—Medical Research.....	100,000
U.N. Peacekeeping: U.N. Emergency Force (Near East).....	835,000
U.N. Training and Research Institute.....	400,000

Total..... 144,755,000

Two of these—World Health Organization—Medical Research, and U.N. Training and Research Institute—are new cooperative activities designed to promote the dissemination of information on cancer research and to encourage research in promising areas, in the first instance, and to provide advanced training for present members of the U.N. Secretariat, as well as for citizens of new nations for service with the U.N. or with their own national administrations, in the latter case.

SUPPORTING ASSISTANCE

1965 appropriation.....	\$401, 000, 000
1966 budget estimate.....	369, 200, 000
1966 budget estimate, revised (H. Doc. 197).....	449, 200, 000
House allowance.....	369, 200, 000
Committee recommendation.....	369, 200, 000

For supporting assistance, the committee concurs in the House allowance of \$369,200,000. Though this sum is \$80,000,000 under the revised budget estimate, the amount of \$80,000,000 has been appropriated under the head, contingency fund, southeast Asia.

Supporting assistance funds are provided to assist those nations which need help in maintaining their defensive forces against Communist expansion and in preserving their economic and political stability under such pressures. In addition, to further and protect the national interest and foreign policy objectives of the United States, funds are provided hereunder to encourage independence of action by nations under intimidation by aggressive or subversive forces and to assure access to strategic U.S. military installations. The committee was informed that nearly 90 percent of the aid under this appropriation will be concentrated in four countries: South Vietnam, Laos, Korea, and Jordan; about half of this will go to Vietnam alone.

CONTINGENCY FUND, GENERAL

1965 appropriation.....	\$99, 200, 000
1966 budget estimate.....	50, 000, 000
House allowance.....	50, 000, 000
Committee recommendation.....	50, 000, 000

The committee concurs in the House allowance of \$50,000,000 for the contingency fund.

This fund has proven to be indispensable as a reserve to meet emergency situations which demand an immediate response from the President in order to protect U.S. interests and to promote national policy.

CONTINGENCY FUND, SOUTHEAST ASIA

1965 appropriation.....	
1966 budget estimate (H. Doc. 197).....	(\$89, 000, 000)
House allowance.....	89, 000, 000
Committee recommendation.....	89, 000, 000

On June 3, in his budget amendment (H. Doc. 197), the President requested the sum of \$89 million for mutual defense and development programs in southeast Asia. As indicated earlier in the report, \$9 million was requested for technical cooperation and development grants and \$80 million was requested for supporting assistance.

The full \$89 million was authorized by the Congress for these purposes in Public Law 89-171, signed September 6, 1965. After considering these estimates and the justifications presented, the committee

recommends the full budget estimate of \$89 million, which is the same as the amount contained in the House bill.

ALLIANCE FOR PROGRESS

TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

1965 appropriation.....	\$84,700,000
1966 budget estimate.....	85,000,000
House allowance.....	75,000,000
Committee recommendation.....	75,000,000

An appropriation of \$75,000,000 is recommended for technical cooperation and development grants, which is the same as the amount allowed by the House, but \$10,000,000 under the budget request.

The budget proposed a program of \$88 million in fiscal year 1966 for the Alliance for Progress, technical cooperation and development grants, composed of the following items:

New obligational authority.....	\$85,000,000
Deobligation of prior year obligations.....	3,000,000
Total.....	88,000,000

The submission by the administration did not contemplate any carryover of unobligated funds into fiscal year 1966; however, it now develops that \$9,562,000 of technical cooperation and development grant funds will be available for carryover. The amount of \$75 million recommended by the committee, together with the deobligations and carryover, will provide funds to finance a program in the amount of \$84,562,000.

Testimony presented to the committee indicated that there is visible evidence of results in most Latin American countries which have committed themselves to the policies, reforms, and improvements developed under the programs of the Alliance for Progress. Among these are tax and land reforms, educational, health, and housing improvements, as well as increasing stabilization of savings and loan and credit facilities.

ALLIANCE FOR PROGRESS

DEVELOPMENT LOANS

1965 appropriation.....	\$425,000,000
1966 budget estimate.....	495,125,000
House allowance.....	445,125,000
Committee recommendation.....	435,125,000

For development loans, Alliance for Progress, the committee recommends \$435,125,000, which is \$10,000,000 under the House allowance and \$60,000,000 under the amount of the estimate.

The budget program for development loans amounted to \$508,125,000 for fiscal year 1966 consisting of the following sources:

New obligational authority.....	\$495,125,000
Carryover, reimbursements, and receipts.....	8,000,000
Deobligations of prior year obligations.....	5,000,000
Total.....	508,125,000

Although the original program request did not contain an unobligated carryover from fiscal year 1965 to fiscal year 1966, it now develops that \$29,686,000 of unobligated funds will be available in

1966 in addition to the new obligational authority. Consequently, the committee recommendation of \$435,125,000 will provide a program of \$477,811,000 including unobligated balances, reimbursements and recoveries.

DEVELOPMENT LOANS

1965 appropriation.....	\$773, 727, 600
1966 budget estimate.....	780, 250, 000
House allowance.....	675, 225, 000
Committee recommendation.....	593, 225, 000

For development loans, exclusive of the Alliance for Progress, the committee recommends \$593,225,000, which is \$82,000,000 under the House allowance, and \$187,025,000 under the budget estimate.

The development loan program was submitted in the original budget at \$840,250,000, on the following regional basis:

Region	Fiscal year 1966 program
Near East and south Asia.....	\$690, 000, 000
Far East.....	50, 000, 000
Africa.....	100, 000, 000
Nonregional.....	250, 000
Total.....	840, 250, 000

This sum of \$840,250,000, it was contemplated, would be derived from \$780,250,000 of new obligational authority, \$20 million of loan receipts, and \$40 million of deobligations of prior year obligations. It was not contemplated that any carryover of unobligated funds would develop. However, it has been determined from recent data that \$91,292,000 of unobligated development loan funds as of June 30 will be carried forward into fiscal year 1966. With the \$593,225,000 of new obligational authority recommended in this bill, there will be a total of \$744,517,000 available for programming in fiscal year 1966.

Development loans are a major tool in the U.S. effort to promote the long-term economic development of recipient nations, while at the same time stressing the necessity for self-help measures; such lending is, in fact, the largest item in the AID program. The committee was informed that nearly 60 percent of country and regional programs today is financed by loans for development as compared to only 36 percent between 1959 and 1961, reflecting the changing emphasis from grants to loans in the foreign assistance program since its inception in 1948.

The House language prohibiting use of development loan funds to implement section 205 of the authorization act has been deleted by the committee. In lieu thereof, the committee has provided that not to exceed 10 percent of the development loan funds may be made available to the International Development Association, the International Bank for Reconstruction and Development, or the International Finance Corporation for use in accordance with laws governing U.S. participation in such institutions.

AID proposes to use this authority on a matching basis so that any additional funds the United States contributes to these institutions would be accompanied by an increase in the funds contributed by others. This could prove to be a useful instrument to persuade other donor countries to increase their levels of aid.

A major difference between the U.S. aid program and that of the World Bank and similar multilateral agencies is psychological. Some bilateral aid carries a connotation of charity with all of the frustrations and dangers this generates in the sensitive, new nations. Multilateral aid through an international agency can often convert the aid-giving process from an act of charity to an act of community responsibility. Administration of a portion of aid through the international agencies as authorized in section 205 is designed to eliminate some of the problems inherent in the bilateral relationship.

AGENCY FOR INTERNATIONAL DEVELOPMENT

ADMINISTRATIVE EXPENSES

1965 appropriation.....	\$53, 600, 000
1966 budget estimate.....	55, 240, 000
House allowance.....	54, 240, 000
Committee recommendation.....	54, 240, 000

For administrative expenses of the Agency for International Development, the committee concurs in the House allowance and recommends an appropriation of \$54,240,000, which is \$1,000,000 under the budget estimate.

The funds provided under this appropriation are used for administering the programs of the Agency for International Development in Washington and the overseas missions.

DEPARTMENT OF STATE

ADMINISTRATIVE EXPENSES

1965 appropriation.....	\$3, 029, 100
1966 budget estimate.....	3, 100, 000
House allowance.....	3, 100, 000
Committee recommendation.....	3, 100, 000

The committee concurs in the House allowance of \$3,100,000.

These funds are required to finance the administrative expenses incurred by the Department of State in connection with its responsibilities in the administration of the foreign assistance program and the Mutual Defense Assistance Control Act of 1951, as amended.

MILITARY ASSISTANCE

1965 appropriation.....	\$1, 055, 000, 000
1966 budget estimate.....	1, 170, 000, 000
House allowance.....	1, 170, 000, 000
Committee recommendation.....	1, 170, 000, 000

For the military assistance program, the committee recommends an appropriation of \$1,170,000,000. This is the full amount of the budget estimate and the same as the House allowance.

The detail of the fiscal year 1966 program, compared with the program for fiscal year 1965, follows:

Funds available—MAP

Item	Fiscal year 1965 program	Fiscal year 1966 estimate
New obligational authority.....	\$1,055,000,000	\$1,170,000,000
Reappropriation of unobligated balances.....	965,000	10,000,000
Recompuments.....	139,550,000	78,000,000
Transfer from economic assistance appropriations.....	55,000,000	
Use of sec. 510 contract authority.....	75,000,000	
Total, funds available.....	1,325,515,000	1,258,000,000

The executive branch estimates provide for a grant materiel program in 40 countries and a training program in 14 additional countries. The proposed program for the fiscal year is reflected in the following table:

	Fiscal year 1966		Amount
	Proposed program for (40)	Training only for (14)	
Forward defense:			
China, Republic of.....	X		
Greece.....	X		
India.....	X		
Iran.....	X		
Korea.....	X		
Laos.....	X		
Pakistan.....	X		
Philippines.....	X		
Thailand.....	X		
Turkey.....	X		
Vietnam.....	X		
Total, forward defense.....			\$905,023,000
Alliance for Progress security:			
Argentina.....	X		
Bolivia.....	X		
Brazil.....	X		
Chile.....	X		
Colombia.....	X		
Costa Rica.....	X		
Dominican Republic.....	X		
Ecuador.....	X		
El Salvador.....	X		
Guatemala.....	X		
Honduras.....	X		
Mexico.....		X	
Nicaragua.....	X		
Panama.....	X		
Paraguay.....	X		
Peru.....	X		
Uruguay.....	X		
Venezuela.....		X	
Total, Alliance for Progress.....			77,264,000
Military base:			
Ethiopia.....	X		
Libya.....	X		
Portugal.....	X		
Spain.....	X		
Total, military base.....			38,855,000
Grant aid phaseout:			
Denmark.....	X		
Japan.....		X	
Norway.....	X		
Total, grant aid phaseout.....			39,208,000

	Fiscal year 1966		Amount
	Proposed program for (40)	Training only for (14)	
Free world orientation:			
Afghanistan.....		X	
Congo.....	X		
Iraq.....		X	
Jordan.....	X		
Lebanon.....		X	
Liberia.....	X		
Malaysia.....		X	
Mali.....	X		
Morocco.....		X	
Nepal.....	X		
Nigeria.....		X	
Saudi Arabia.....		X	
Senegal.....	X		
Syria.....		X	
Tunisia.....		X	
Yemen.....		X	
Country A.....	X		
Country B.....		X	
Total, free world orientation.....			\$16,869,000
U.S. Forces support and MAP administration:			
Infrastructure.....			70,000,000
International Military Headquarters.....			19,080,000
Regional costs.....			18,201,000
Program administration.....			23,500,000
Credit assistance.....			50,000,000
Total.....			180,781,000
Total obligational authority.....			1,258,000,000
Less: Reappropriations, recoupments, and transfers.....			-88,000,000
Total.....			1,170,000,000

The committee concurs with the House in recommending \$23,500,000 as the limitation on administrative expenses.

TITLE II—FOREIGN ASSISTANCE (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT

PEACE CORPS

1965 appropriation.....	¹ \$87,100,000
1966 budget estimate.....	125,200,000
1966 budget estimate, revised (H. Doc. 150).....	115,000,000
House allowance.....	² 102,000,000
Committee recommendation.....	² 102,000,000

¹ In addition, unobligated balances as of June 30, 1964, estimated to be \$17,000,000, were reappropriated.

² Plus the reappropriation of \$12,100,000 of unobligated funds remaining available on June 30, 1965.

For the Peace Corps, an appropriation of \$102 million is recommended, together with unobligated balances remaining available on June 30, 1965, in the amount of \$12,100,000, which will provide a total of funds available of \$114,100,000 for the Peace Corps program for fiscal year 1966. This will allow all but \$900,000 of the \$115 million requested by the administration.

The following table sets forth the number of volunteers and trainees by country, as of August 31, 1965:

Volunteers and trainees (as of Aug. 31, 1965)

Africa:		North Africa, Near East, and South Asia:	
Cameroon.....	103	Afghanistan.....	137
Ethiopia.....	569	India.....	427
Gabon.....	35	Iran.....	157
Ghana.....	115	Morocco.....	133
Guinea.....	104	Nepal.....	164
Ivory Coast.....	55	Pakistan.....	150
Kenya.....	134	Tunisia.....	135
Liberia.....	346	Turkey.....	337
Malawi.....	231		
Niger.....	43		
Nigeria.....	649	Total, North Africa, Near East, and south Asia.....	1, 640
Senegal.....	58		
Sierra Leone.....	150		
Somali Republic.....	58		
Tanzania.....	325		
Togo.....	57	Far East:	
Uganda.....	37	Malaysia.....	384
		Philippines.....	326
		Thailand.....	264
Total, Africa.....	3, 069	Total, Far East.....	974
Latin America:		Grand total.....	9, 260
Bolivia.....	259		
Brazil.....	550	Plus:	
British Honduras.....	47	PCT's entering June 1 to Aug. 31.....	6, 962
Chile.....	309	Completions of service and terminations, June 1 to Aug. 31.....	-2, 512
Colombia.....	609		
Costa Rica.....	87	On board Aug. 31 1965.....	13, 710
Dominican Republic.....	139		
Ecuador.....	336		
El Salvador.....	75		
Guatemala.....	116		
Honduras.....	107		
Jamaica.....	82		
Panama.....	132		
Peru.....	428		
St. Lucia.....	13		
Uruguay.....	19		
Venezuela.....	269		
Total, Latin America.....	3, 577		

DEPARTMENT OF THE ARMY

RYUKYU ISLANDS

1965 appropriation.....	\$14, 441, 000
1966 budget estimate.....	14, 733, 000
House allowance.....	14, 733, 000
Committee recommendation.....	14, 733, 000

For the administration of the Ryukyu Islands, the committee recommends the full amount of the budget estimate, \$14,733,000, which is also the amount allowed by the House.

The following table sets forth the proposed program for the administration of the Ryukyu Islands for fiscal year 1966:

Purpose of projects	Estimate, fiscal year 1966
Administrative activities.....	\$2, 733, 000
Pay of personnel.....	2, 288, 000
Travel of civilian employees.....	125, 000
Information materials and services.....	150, 000
Operating expenses.....	170, 000
Aid to Ryukyuan economy.....	12, 000, 000
Reimbursement for government services.....	1, 200, 000
Contribution to government projects.....	9, 260, 000
Transportation of commodities.....	5, 000
Technical education and training.....	815, 000
Technical cooperation.....	720, 000
Total.....	14, 733, 000

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANCE TO REFUGEES IN THE UNITED STATES

1965 appropriation.....	¹ \$32, 211, 000
1966 budget estimate.....	34, 400, 000
1966 budget estimate, revised (H. Doc. 138).....	32, 265, 000
House allowance.....	32, 265, 000
Committee recommendation.....	30, 000, 000

¹ In addition, unobligated balances as of June 30, 1964, estimated to be \$7,800,000, were reappropriated.

The committee recommends an appropriation of \$30,000,000 for assistance to refugees in the United States. This amount is \$2,265,000 under the House allowance and the revised budget estimate.

Departmental officials advised the committee during the hearings that the estimates of need for fiscal year 1966 were recently determined to be lower than anticipated and recommended the reduction of \$2,265,000.

This program was initiated in February 1961, and since that time 177,000 Cuban refugees have been registered at the Miami center. Of these about 87,000 have been relocated in other communities throughout the United States while approximately 85,000 refugees remain in the Miami area. The decrease in funds requested for fiscal year 1966 is due primarily to improved economic conditions in Miami and to intensified training and counseling, resulting in an increasing number of refugees who have become self-sufficient. The committee was gratified to learn that the costs of this program have decreased from a high in fiscal 1963 to \$56 million, to \$46 million in 1964, \$36.6 million in 1965, and \$30 million estimated for fiscal 1966.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

1965 appropriation.....	\$8, 200, 000
1966 budget estimate.....	7, 575, 000
House allowance.....	7, 575, 000
Committee recommendation.....	7, 575, 000

For migration and refugee assistance, Department of State, an appropriation of \$7,575,000 is recommended. This is the same as the House allowance and the budget estimate.

The committee concurs with the House language in the bill which will continue available until December 31, 1965, \$371,000 of prior year appropriations. This action is necessary in view of a GAO opinion questioning the validity of obligations in the amount of \$740,000 established against appropriations for the fiscal years 1963 and 1964 respecting four contracts entered into by the Department of State with two voluntary refugee organizations and the American Red Cross. The original amount in question subsequently has been reduced, consistent with the GAO opinion, to \$520,943, and further savings in the program will reduce the requirement for reappropriation to \$371,000, the amount recommended in the bill.

In order to preclude subsequent problems in this regard and to provide better financial management of the program, the committee concurs with the House language to make the program funds available on a calendar year basis.

The activities financed by this program include contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees, and assistance to refugees from European Communist countries, refugees from Communist China, Tibetan refugees, and costs of administration. These activities were authorized by Public Law 87-510, the Migration and Refugee Assistance Act of 1962. The \$625,000 reduction in the request from last year's appropriation was made possible, according to testimony, by continuing progress in the solution of refugee problems, greater contributions by other governments toward refugee and migration costs, and efforts on the part of the Department of State to maintain close control of expenditures for all refugee and migration activities.

FUNDS APPROPRIATED TO THE PRESIDENT

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

1965 appropriation.....	¹ \$455, 880, 000
1966 budget estimate.....	205, 880, 000
1966 budget estimate, revised (H. Doc. 127).....	² 455, 880, 000
House allowance.....	455, 880, 000
Committee recommendation.....	455, 880, 000

¹ Includes \$250,000,000 for 1st installment of the U.S. share in the increase in the resources of the Fund for Special Operations of the Bank, contained in the Second Supplemental Appropriation Act, 1965, signed Apr. 30, 1965.

² Includes \$250,000,000 for 2d installment of U.S. share.

The committee concurs in the House allowance of \$455,880,000 for this appropriation item.

The Inter-American Development Bank is an intergovernmental institution which has as its objective the promotion of economic development in member countries through loans, technical assistance, and guarantees of private investment in development projects; \$205,880,000 of the above recommendation represents one-half of the U.S. share of the increased callable capital stock of the Bank, which is authorized by Public Law 88-259. Public Law 89-6, approved March 24, 1965, authorized a total additional appropriation of \$750 million for the Fund for Special Operations of the Inter-American Development Bank, to be provided in three annual installments.

This Fund makes loans to the Latin American countries for economic and social development purposes. The first increment of this commitment was appropriated in the Second Supplemental Appropriation Act, 1965 (Public Law 89-16), and the \$250 million additional recommended in this bill will provide the second installment under this latest commitment.

SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

1965 appropriation.....	\$61, 656, 000
1966 budget estimate.....	104, 000, 000
House allowance.....	104, 000, 000
Committee recommendation.....	104, 000, 000

The committee concurs in the budget request of \$104,000,000, which is also the amount allowed by the House.

U.S. membership in the International Development Association, an affiliate of the International Bank for Reconstruction and Development, was authorized by Public Law 86-565, approved June 30, 1960, and the initial subscription of the United States was completed, after five installments, in November 1964. Public Law 88-310, approved May 26, 1964, authorized increased U.S. participation, with appropriations totaling \$312 million, payable in three annual installments commencing in fiscal year 1966. The \$104 million provided in this bill represents the first increment under this additional commitment.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

LIMITATION ON OPERATING EXPENSES

1965 appropriation.....	(\$1, 350, 060, 000)
1966 budget estimate.....	(1, 186, 120, 000)
House allowance.....	(1, 186, 120, 000)
Committee recommendation.....	(1, 186, 120, 000)

The committee concurs in the House allowance of \$1,186,200,000 for the limitation on operating expenses of the Export-Import Bank of Washington.

LIMITATION ON ADMINISTRATIVE EXPENSES

1965 appropriation.....	(\$3, 915, 000)
1966 budget estimate.....	(4, 052, 000)
House allowance.....	(4, 052, 000)
Committee recommendation.....	(4, 052, 000)

The committee concurs in the House allowance of \$4,052,000 for the limitation on administrative expenses of the Export-Import Bank of Washington.

GENERAL PROVISIONS

SECURITY INVESTIGATIONS

The committee concurs in the House's revised version of section 111 of the general provisions of Title I. This provision concerns security investigations for contractor employees and will permit the President to issue regulations providing for security investigations for those contractor employees who will have access to classified information or material. The provision substitutes for the previous mandatory requirement for security investigations of all contractor employees.

USE OF LOAN RECEIPTS

The House eliminated section 116 of last year's act and the committee has concurred in this action. Section 116 prohibited the use of development loan and Alliance for Progress loan receipts for further lending purposes. The removal of this provision is consistent with the language in the development loan and in the Alliance for Progress development loan appropriations paragraphs, which appropriate loan receipts for further loans.

VIETNAM SHIPPING

The following new section 116 has been inserted into the bill by the committee and the references to North Vietnam in section 107 of the House bill have been deleted.

SEC. 116. In determining whether the funds appropriated or made available pursuant to this Act for assistance under the Foreign Assistance Act of 1961, as amended, may be used for assistance to any country, the President shall take into account such steps as that country has taken to prevent ships under its registry from transporting strategic items, items of economic assistance, or other equipment, materials or commodities to North Vietnam. If any country receiving assistance fails to take appropriate steps to prevent its ships from transporting such items, it is the sense of the Congress that assistance should be denied to that country.

Under this provision the intent of Congress is clear that aid should be denied to any country which fails to take appropriate steps to prevent its ships from transporting strategic items, items of economic assistance, or other equipment, materials or commodities to North Vietnam.

SAFEGUARDING THE RIGHTS AND INTERESTS OF AMERICANS OVERSEAS

The attention of the committee has been directed to a situation in Iran where there has been a flagrant violation of the rights and interests of an American concern by the Iranian Government.

This American company was invited to participate in the establishment and operation of a U.S. Government-financed sawmill in Iran by the Agency for International Development. The company's contract was canceled by the Iranian Government without just cause after the sawmill was in operation on a profitable basis. There has been a severe financial loss to the American company. Efforts are being made by the concern under the terms of its contract to have the Iranian Government fulfill its obligations under the contract.

This incident has greatly disturbed the committee. The rights and interests of American nationals are being prejudiced. The committee is determined that these rights of American citizens dealing abroad must be respected. The committee expects the State Department vigorously to pursue this matter and to secure a prompt and equitable settlement.

TITLE I—FOREIGN ASSISTANCE

Item	Appropriations 1965, (to date)	Budget estimates, 1965 (amended)	House bill, 1966	Amount recommended by Senate committee	Increase (+), or decrease (–) Senate bill compared with—		
					Appropriations, 1965	Budget estimates, 1966	House bill, 1966
FUNDS APPROPRIATED TO THE PRESIDENT							
MUTUAL DEFENSE AND DEVELOPMENT							
ECONOMIC ASSISTANCE							
Technical cooperation and development grants.....	\$202,070,900	1 \$219,000,000	\$202,355,000	\$202,355,000	+\$284,100	—\$16,645,000	-----
American schools and hospitals abroad.....	16,800,000	7,000,000	7,000,000	7,000,000	—9,800,000	-----	-----
Surveys of investment opportunities.....	1,600,000	-----	-----	-----	—1,600,000	-----	-----
International organizations and programs.....	134,272,400	145,555,000	144,755,000	144,755,000	+10,482,600	—800,000	-----
Supporting assistance.....	401,000,000	2 449,200,000	369,200,000	369,200,000	—31,800,000	—80,000,000	-----
Contingency fund, general.....	99,200,000	50,000,000	50,000,000	50,000,000	—49,200,000	-----	-----
Contingency fund, southeast Asia.....	-----	-----	89,000,000	89,000,000	+89,000,000	+89,000,000	-----
Alliance for Progress:	-----	-----	-----	-----	-----	-----	-----
Technical cooperation and development grants.....	84,700,000	85,000,000	75,000,000	75,000,000	—9,700,000	—10,000,000	-----
Development loans.....	425,000,000	495,125,000	445,125,000	435,125,000	+10,125,000	—60,000,000	—\$10,000,000
Development loans.....	773,727,600	780,250,000	675,225,000	593,225,000	—180,502,600	—187,025,000	—82,000,000
Administrative expenses, AID.....	53,600,000	55,240,000	54,240,000	54,240,000	+640,000	—1,000,000	-----
Administrative expenses, State.....	3,029,100	3,100,000	3,100,000	3,100,000	+70,900	-----	-----
Subtotal, economic assistance.....	2,195,000,000	2,289,470,000	2,115,000,000	2,023,000,000	—172,000,000	—266,470,000	—92,000,000
MILITARY ASSISTANCE							
Military assistance.....	1,055,000,000	1,170,000,000	1,170,000,000	1,170,000,000	+115,000,000	-----	-----
Limitation on administrative expenses.....	(24,000,000)	(23,500,000)	(23,500,000)	(23,500,000)	(—500,000)	-----	-----
Total, title I, foreign assistance.....	3,250,000,000	3,459,470,000	3,285,000,000	3,193,000,000	—57,000,000	—266,470,000	—92,000,000

See footnotes at end of table.

Comparative statement of the appropriations for 1965 and the budget estimates for 1966 and amounts recommended in the bill—Continued

TITLE II—FOREIGN ASSISTANCE (OTHER)

Item	Appropriations 1965, (to date)	Budget estimates, 1965 (amended)	House bill, 1966	Amount recommended by Senate committee	Increase (+), or decrease (—) Senate bill compared with—		
					Appropriations, 1965	Budget estimates, 1966	House bill, 1966
FUNDS APPROPRIATED TO THE PRESIDENT							
Peace Corps.....	\$87, 100, 000	\$115, 000, 000	\$102, 000, 000	3 \$102, 000, 000	+\$14, 900, 000	—\$13, 000, 000	-----
Limitation on administrative expenses.....	(22, 708, 000)	(24, 100, 000)	(24, 100, 000)	(24, 100, 000)	(+1, 392, 000)	-----	-----
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS							
Ryukyu Islands, Army, administration.....	14, 441, 000	14, 733, 000	14, 733, 000	14, 733, 000	+292, 000	-----	-----
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
Assistance to refugees in the United States.....	32, 211, 000	32, 265, 000	32, 265, 000	30, 000, 000	—2, 211, 000	—2, 265, 000	—\$2, 265, 000
DEPARTMENT OF STATE							
Migration and refugee assistance.....	8, 200, 000	7, 575, 000	7, 575, 000	7, 575, 000	—625, 000	-----	-----
FUNDS APPROPRIATED TO THE PRESIDENT							
Investment in Inter-American Development Bank.....	455, 880, 000	455, 880, 000	455, 880, 000	455, 880, 000	-----	-----	-----
Subscription to the International Development Association.....	61, 656, 000	104, 000, 000	104, 000, 000	104, 000, 000	+42, 344, 000	-----	-----
Total, title II, foreign assistance (other).....	659, 488, 000	729, 453, 000	716, 453, 000	714, 188, 000	+54, 700, 000	—15, 265, 000	—2, 265, 000

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses.....	(\$1, 350, 060, 000)	(\$1, 186, 120, 000)	(\$1, 186, 120, 000)	(\$1, 186, 120, 000)	(—\$163, 940, 000)	-----	-----
Limitation on administrative expenses.....	(3, 915, 000)	(4, 052, 000)	(4, 052, 000)	(4, 052, 000)	(+137, 000)	-----	-----
Total, title III, Export-Import Bank.....	(1, 353, 975, 000)	(1, 190, 172, 000)	(1, 190, 172, 000)	(1, 190, 172, 000)	(—163, 803, 000)	-----	-----
Grand total, all titles.....	3, 909, 488, 000	4, 188, 923, 000	4, 001, 453, 000	3, 907, 188, 000	—2, 300, 000	—\$281, 735, 000	—\$94, 265, 000

¹ Includes \$9,000,000 for "Supporting assistance" for southeast Asia.

² Includes \$80,000,000 for "Supporting assistance" for southeast Asia.

³ Plus \$12,100,000 of unobligated funds remaining available on June 30, 1965.

Calendar No. 693

89TH CONGRESS
1ST SESSION

H. R. 10871

[Report No. 708]

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

Read twice and referred to the Committee on Appropriations

SEPTEMBER 13, 1965

Reported by Mr. PASTORE, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1966, namely:

1 TITLE I—FOREIGN ASSISTANCE

2 FUNDS APPROPRIATED TO THE PRESIDENT

3 MUTUAL DEFENSE AND DEVELOPMENT

4 For expenses necessary to enable the President to carry
5 out the provisions of the Foreign Assistance Act of 1961, as
6 amended, to remain available until June 30, 1966, unless
7 otherwise specified herein, as follows:

8 ECONOMIC ASSISTANCE

9 Technical cooperation and development grants: For
10 expenses authorized by section 212, \$202,355,000.

11 American schools and hospitals abroad: For expenses
12 authorized by section 214 (c) , \$7,000,000.

13 International organizations and programs: For expenses
14 authorized by section 302, \$144,755,000.

15 Supporting assistance: For expenses authorized by sec-
16 tion 402, \$369,200,000.

17 Contingency fund, general: For expenses authorized by
18 section 451 (a) , \$50,000,000.

19 Contingency fund, southeast Asia: For expenses author-
20 ized by section 451 (a) , \$89,000,000.

21 Alliance for Progress, technical cooperation and develop-
22 ment grants: For expenses authorized by section 252,
23 \$75,000,000.

24 Alliance for Progress, development loans: For expenses
25 authorized by section 252, ~~\$445,125,000~~ \$435,125,000, to-

1 gether with such dollar amounts as are authorized to be
2 made available for assistance under section 253, all such
3 amounts to remain available until expended.

4 Development loans: For expenses authorized by sec-
5 tion 202 (a), ~~\$675,225,000~~ \$593,225,000, together with
6 such amounts as are authorized to be made available for
7 expenses under section 203, all such amounts to remain
8 available until expended: ~~Provided, That no part of this ap-~~
9 propriation may be used to carry out the provisions of sec-
10 tion 205 of the Foreign Assistance Act of 1961, as amended
11 : *Provided, That not to exceed 10 percent of this appropria-*
12 *tion shall be available to carry out the provisions of section*
13 *205 of the Foreign Assistance Act of 1961, as amended.*

14 Administrative expenses: For expenses authorized by
15 section 637 (a), \$54,240,000.

16 Administrative and other expenses: For expenses au-
17 thorized by section 637 (b) of the Foreign Assistance Act
18 of 1961, as amended, and by section 305 of the Mutual
19 Defense Assistance Control Act of 1951, as amended,
20 \$3,100,000.

21 Unobligated balances as of June 30, 1965, of funds
22 heretofore made available under the authority of the
23 Foreign Assistance Act of 1961, as amended, except as
24 otherwise provided by law, are hereby continued available

1 for the fiscal year 1966, for the same general pur-
2 poses for which appropriated and amounts certified pursuant
3 to section 1311 of the Supplemental Appropriation Act,
4 1955, as having been obligated against appropriations here-
5 tofore made under the authority of the Mutual Security Act
6 of 1954, as amended, and the Foreign Assistance Act of
7 1961, as amended, for the same general purpose as any of
8 the subparagraphs under "Economic Assistance" are hereby
9 continued available for the same period as the respective
10 appropriations in such subparagraphs for the same general
11 purpose: *Provided*, That such purpose relates to a project
12 or program previously justified to Congress and the Com-
13 mittees on Appropriations of the House of Representatives
14 and the Senate are notified prior to the reobligation of funds
15 for such projects or programs.

16 **MILITARY ASSISTANCE**

17 **Military assistance:** For expenses authorized by section
18 504 (a) of the Foreign Assistance Act of 1961, as amended,
19 including administrative expenses authorized by section 636
20 (g) (1) of such Act, which shall not exceed \$23,500,000
21 for the current fiscal year, and purchase of passenger motor
22 vehicles for replacement only for use outside the United
23 States: *Provided*, That none of the funds contained in this
24 paragraph shall be available for the purchase of new auto-
25 motive vehicles outside of the United States, \$1,170,000,000.

GENERAL PROVISIONS

SEC. 101. None of the funds herein appropriated (other than funds appropriated under the authorization for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per memorandum of the President dated May 15, 1962.

SEC. 102. Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

SEC. 103. Except for the appropriations entitled "Contingency fund", "Alliance for Progress, development loans", and "Development loans", not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.

1 SEC. 104. None of the funds herein appropriated nor
2 any of the counterpart funds generated as a result of assist-
3 ance hereunder or any prior Act shall be used to pay pen-
4 sions, annuities, retirement pay or adjusted service compen-
5 sation for any persons heretofore or hereafter serving in the
6 armed forces of any recipient country.

7 SEC. 105. The Congress hereby reiterates its opposition
8 to the seating in the United Nations of the Communist
9 China regime as the representative of China, and it is hereby
10 declared to be the continuing sense of the Congress that the
11 Communist regime in China has not demonstrated its will-
12 ingness to fulfill the obligations contained in the Charter of
13 the United Nations and should not be recognized to represent
14 China in the United Nations. In the event of the seating
15 of representatives of the Chinese Communist regime in the
16 Security Council or General Assembly of the United Nations
17 the President is requested to inform the Congress insofar
18 as is compatible with the requirements of national security,
19 of the implications of this action upon the foreign policy of
20 the United States and our foreign relationships, including
21 that created by membership in the United Nations, together
22 with any recommendations which he may have with respect
23 to the matter.

24 SEC. 106. It is the sense of Congress that any attempt
25 by foreign nations to create distinctions because of their race

1 or religion among American citizens in the granting of per-
2 sonal or commercial access or any other rights otherwise
3 available to United States citizens generally is repugnant to
4 our principles; and in all negotiations between the United
5 States and any foreign state arising as a result of funds
6 appropriated under this title these principles shall be applied
7 as the President may determine.

8 SEC. 107. (a) No assistance shall be furnished under
9 the Foreign Assistance Act of 1961, as amended, to any
10 country which sells, furnishes, or permits any ships under its
11 registry to carry to Cuba, so long as it is governed by the
12 Castro regime, ~~or to North Vietnam~~, in addition to those
13 items contained on the list maintained by the Administrator
14 pursuant to title I of the Mutual Defense Assistance Control
15 Act of 1951, as amended, any arms, ammunition, imple-
16 ments of war, atomic energy materials, or any other articles,
17 materials, or supplies of primary strategic significance used
18 in the production of arms, ammunition, and implements of
19 war or of strategic significance to the conduct of war, in-
20 cluding petroleum products.

21 (b) No economic assistance shall be furnished under
22 the Foreign Assistance Act of 1961, as amended, to any
23 country which sells, furnishes, or permits any ships under its
24 registry to carry items of economic assistance to Cuba, so

1 long as it is governed by the Castro regime, or to North
2 Vietnam, unless the President determines that the withhold-
3 ing of such assistance would be contrary to the national
4 interest and reports such determination to the Foreign Rela-
5 tions and Appropriations Committees of the Senate and
6 the Foreign Affairs and Appropriations Committees of the
7 House of Representatives. Reports made pursuant to this
8 subsection shall be published in the Federal Register within
9 seven days of submission to the committees and shall contain
10 a statement by the President of the reasons for such deter-
11 mination.

12 SEC. 108. Any expenditure made from funds provided in
13 this title for procurement outside the United States of any
14 commodity in bulk and in excess of \$100,000 shall be reported
15 to the Committees on Appropriations of the Senate and the
16 House of Representatives at least twice annually: *Provided*,
17 That each such report shall state the reasons for which the
18 President determined, pursuant to criteria set forth in section
19 604 (a) of the Foreign Assistance Act of 1961, as amended,
20 that foreign procurement will not result in adverse effects
21 upon the economy of the United States or the industrial
22 mobilization base which outweigh the economic or other
23 advantages to United States of less costly procurement out-
24 side the United States.

25 SEC. 109. (a) No assistance shall be furnished to any

1 nation, whose government is based upon that theory of gov-
2 ernment known as communism under the Foreign Assistance
3 Act of 1961, as amended, for any arms, ammunition, imple-
4 ments of war, atomic energy materials, or any articles, ma-
5 terials, or supplies, such as petroleum, transportation mate-
6 rials of strategic value, and items of primary strategic
7 significance used in the production of arms, ammunition,
8 and implements of war, contained on the list maintained by
9 the Administrator pursuant to title I of the Mutual Defense
10 Assistance Control Act of 1951, as amended.

11 (b) No economic assistance shall be furnished to any
12 nation whose government is based upon that theory of gov-
13 ernment known as communism under the Foreign Assistance
14 Act of 1961, as amended (except section 214 (b)), unless
15 the President determines that the withholding of such assist-
16 ance would be contrary to the national interest and reports
17 such determination to the Foreign Affairs and Appropria-
18 tions Committees of the House of Representatives and For-
19 eign Relations and Appropriations Committees of the Senate.
20 Reports made pursuant to this subsection shall be published
21 in the Federal Register within seven days of submission to
22 the committees and shall contain a statement by the Presi-
23 dent of the reasons for such determination.

24 SEC. 110. None of the funds appropriated or made avail-

1 able pursuant to this Act for carrying out the Foreign As-
2 sistance Act of 1961, as amended, may be used for making
3 payments on any contract for procurement to which the
4 United States is a party entered into after the date of enact-
5 ment of this Act which does not contain a provision author-
6 izing the termination of such contract for the convenience of
7 the United States.

8 SEC. 111. None of the funds appropriated or made avail-
9 able by this or any predecessor Act for the years subsequent
10 to fiscal year 1962 for carrying out the Foreign Assistance
11 Act of 1961, as amended, may be used on or after 60 days
12 from the date of enactment of this Act to make payments
13 with respect to any contract for the performance of services
14 outside the United States by United States citizens unless the
15 President shall have promulgated regulations that provide
16 for the investigation of such citizens for loyalty and security
17 to the extent necessary to protect the security and other in-
18 terests of the United States: *Provided*, That such regulations
19 shall require that any such United States citizen who will
20 have access, in connection with the performance of such
21 services, to information or material classified for security
22 reasons shall be subject to such investigation as may other-
23 wise be provided by law and executive order.

24 SEC. 112. None of the funds appropriated or made avail-
25 able under this Act for carrying out the Foreign Assistance

1 Act of 1961, as amended, may be used to make payments
2 with respect to any capital project financed by loans or
3 grants from the United States where the United States has
4 not directly approved the terms of the contracts and the firms
5 to provide engineering, procurement, and construction serv-
6 ices on such projects.

7 SEC. 113. Of the funds appropriated or made available
8 pursuant to this Act not more than \$12,000,000 may be
9 used during the fiscal year ending June 30, 1966, in carrying
10 out section 241 of the Foreign Assistance Act of 1961, as
11 amended.

12 SEC. 114. None of the funds appropriated or made avail-
13 able pursuant to this Act for carrying out the Foreign Assist-
14 ance Act of 1961, as amended, may be used to pay in whole
15 or in part any assessments, arrearages or dues of any member
16 of the United Nations.

17 SEC. 115. None of the funds made available by this
18 Act for carrying out the Foreign Assistance Act of 1961,
19 as amended, may be obligated on or after April 30, 1964,
20 for financing, in whole or in part, the direct costs of any
21 contract for the construction of facilities and installations in
22 any underdeveloped country, unless the President shall, on
23 or before such date, have promulgated regulations designed
24 to assure, to the maximum extent consistent with the national
25 interest and the avoidance of excessive costs to the United

1 States, that none of the funds made available by this Act and
2 thereafter obligated shall be used to finance the direct costs
3 under such contracts for construction work performed by
4 persons other than qualified nationals of the recipient country
5 or qualified citizens of the United States: *Provided, however,*
6 That the President may waive the application of this amend-
7 ment if it is important to the national interest.

8 *SEC. 116. In determining whether the funds appropri-*
9 *ated or made available pursuant to this Act for assistance*
10 *under the Foreign Assistance Act of 1961, as amended, may*
11 *be used for assistance to any country, the President shall*
12 *take into account such steps as that country has taken to pre-*
13 *vent ships under its registry from transporting strategic*
14 *items, items of economic assistance, or other equipment, mate-*
15 *rials or commodities to North Vietnam. If any country re-*
16 *ceiving assistance fails to take appropriate steps to prevent*
17 *its ships from transporting such items, it is the sense of the*
18 *Congress that assistance should be denied to that country.*

19 **TITLE II—FOREIGN ASSISTANCE (OTHER)**

20 **FUNDS APPROPRIATED TO THE PRESIDENT**

21 **PEACE CORPS**

22 For expenses necessary to enable the President to carry
23 out the provisions of the Peace Corps Act (75 Stat. 612), as
24 amended, including purchase of not to exceed five passenger
25 motor vehicles for use outside the United States, \$102,000.-

1 000, together with not to exceed \$12,100,000 of funds pre-
2 viously appropriated which are hereby continued available
3 for the fiscal year 1966, of which not to exceed \$24,100,000
4 shall be available for administrative expenses.

5 DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

6 RYUKYU ISLANDS, ARMY

7 ADMINISTRATION

8 For expenses, not otherwise provided for, necessary to
9 meet the responsibilities and obligations of the United States
10 in connection with the government of the Ryukyu Islands,
11 as authorized by the Act of July 12, 1960 (74 Stat. 461),
12 as amended (76 Stat. 742); services as authorized by sec-
13 tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of
14 individuals not to exceed ten in number; not to exceed
15 \$4,000 for contingencies for the High Commissioner, to be
16 expended in his discretion; hire of passenger motor vehicles
17 and aircraft; purchase of one passenger motor vehicle, for
18 replacement only; and construction, repair, and maintenance
19 of buildings, utilities, facilities, and appurtenances; \$14,-
20 733,000, of which not to exceed \$2,733,000 shall be avail-
21 able for administrative and information expenses: *Provided,*
22 That expenditures from this appropriation may be made out-
23 side continental United States when necessary to carry out
24 its purposes, without regard to sections 355 and 3648, Re-

1 vised Statutes, as amended, section 4774 (d) of title 10,
2 United States Code, civil service or classification laws, or
3 provisions of law prohibiting payment of any person not
4 a citizen of the United States: *Provided further*, That
5 funds appropriated hereunder may be used, insofar as
6 practicable, and under such rules and regulations as
7 may be prescribed by the Secretary of the Army to
8 pay ocean transportation charges from United States ports,
9 including territorial ports, to ports in the Ryukyus for the
10 movement of supplies donated to, or purchased by, United
11 States voluntary nonprofit relief agencies registered with and
12 recommended by the Advisory Committee on Voluntary
13 Foreign Aid or of relief packages consigned to individuals
14 residing in such areas: *Provided further*, That the President
15 may transfer to any other department or agency any func-
16 tion or functions provided for under this appropriation, and
17 there shall be transferred to any such department or agency,
18 without reimbursement and without regard to the appropria-
19 tion from which procured, such property as the Director of
20 the Bureau of the Budget shall determine to relate primarily
21 to any function or functions so transferred: *Provided further*,
22 That reimbursement shall be made to the applicable military
23 appropriation for the pay and allowances of any military
24 personnel performing services primarily for the purposes of
25 this appropriation.

1 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
2 ASSISTANCE TO REFUGEES IN THE UNITED STATES

3 For expenses necessary to carry out the provisions of
4 the Migration and Refugee Assistance Act of 1962 (Public
5 Law 87-510), relating to aid to refugees within the United
6 States, including hire of passenger motor vehicles, and serv-
7 ices as authorized by section 15 of the Act of August 2,
8 1946 (5 U.S.C. 55a), ~~\$32,265,000~~ \$30,000,000.

9 DEPARTMENT OF STATE

10 MIGRATION AND REFUGEE ASSISTANCE

11 For expenses, not otherwise provided for, necessary to
12 enable the Secretary of State to provide assistance to refu-
13 gees, as authorized by law, including contributions to the
14 Intergovernmental Committee for European Migration and
15 the United Nations High Commissioner for Refugees;
16 salaries and expenses of personnel and dependents as
17 authorized by the Foreign Service Act of 1946, as amended
18 (22 U.S.C. 801-1158); allowances as authorized by the
19 Overseas Differentials and Allowances Act (5 U.S.C. 3031-
20 3039); hire of passenger motor vehicles; and services as
21 authorized by section 15 of the Act of August 2, 1946 (5
22 U.S.C. 55a); \$7,575,000, of which not to exceed \$7,050,000
23 shall remain available until December 31, 1966: *Provided,*
24 That no funds herein appropriated shall be used to assist
25 directly in the migration to any nation in the Western

1 Hemisphere of any person not having a security clearance
 2 based on reasonable standards to insure against Communist
 3 infiltration in the Western Hemisphere: *Provided further,*
 4 That \$371,000 of the balances of prior year appropriations
 5 under this head shall remain available until December 31, 1965.

6 FUNDS APPROPRIATED TO THE PRESIDENT

7 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

8 For subscription to the Inter-American Development
 9 Bank for the second installment on the increase in callable
 10 capital stock and for the second installment of the United
 11 States share in the increase in the resources of the Fund for
 12 Special Operations of the Bank, \$455,880,000, to remain
 13 available until expended.

14 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT 15 ASSOCIATION

16 For payment of the first installment of the supplemen-
 17 tary contributions of the United States to the International
 18 Development Association, \$104,000,000, to remain available
 19 until expended.

20 TITLE III—EXPORT-IMPORT BANK OF 21 WASHINGTON

22 The Export-Import Bank of Washington is hereby au-
 23 thorized to make such expenditures within the limits of funds
 24 and borrowing authority available to such corporation, and in
 25 accord with law, and to make such contracts and commit-

1 ments without regard to fiscal year limitations as provided
2 by section 104 of the Government Corporation Control Act,
3 as amended, as may be necessary in carrying out the pro-
4 gram set forth in the budget for the current fiscal year for
5 such corporation, except as hereinafter provided.

6 LIMITATION ON OPERATING EXPENSES

7 Not to exceed \$1,186,120,000 (of which not to exceed
8 \$900,000,000 shall be for long term project and equipment
9 loans) shall be authorized during the current fiscal year for
10 other than administrative expenses.

11 LIMITATION ON ADMINISTRATIVE EXPENSES

12 Not to exceed \$4,052,000 (to be computed on an
13 accrual basis) shall be available during the current fis-
14 cal year for administrative expenses, including services as
15 authorized by section 15 of the Act of August 2, 1946 (5
16 U.S.C. 55a), and not to exceed \$9,000 for entertainment
17 allowances for members of the Board of Directors: *Provided,*
18 That (1) fees or dues to international organizations of credit
19 institutions engaged in financing foreign trade, (2) necessary
20 expenses (including special services performed on a contract
21 or fee basis, but not including other personal services) in
22 connection with the acquisition, operation, maintenance, im-
23 provement, or disposition of any real or personal property
24 belonging to the Bank or in which it has an interest, including
25 expenses of collections of pledged collateral, or the investi-

1 gation or appraisal of any property in respect to which an
2 application for a loan has been made, and (3) expenses
3 (other than internal expenses of the Bank) incurred in con-
4 nection with the issuance and servicing of guarantees, insur-
5 ance, and reinsurance, shall be considered as nonadministra-
6 tive expenses for the purposes hereof.

7 None of the funds made available because of the provi-
8 sions of this title shall be used by the Export-Import Bank
9 to either guarantee the payment of any obligation hereafter
10 incurred by any Communist country (as defined in section
11 620 (f) of the Foreign Assistance Act of 1961, as amended)
12 or any agency or national thereof, or in any other way to
13 participate in the extension of credit to any such country,
14 agency, or national, in connection with the purchase of any
15 product by such country, agency, or national, except when
16 the President determines that such guarantees would be in
17 the national interest and reports each such determination to
18 the House of Representatives and the Senate within 30 days
19 after such determination.

20 TITLE IV—GENERAL PROVISIONS

21 SEC. 401. No part of any appropriation contained in this
22 Act shall be used for publicity or propaganda purposes within
23 the United States not heretofore authorized by the Congress.

24 SEC. 402. None of the funds herein appropriated shall
25 be used for expenses of the Inspector General, Foreign As-

1 sistance, after the expiration of the thirty-five day period
2 which begins on the date the General Accounting Office or
3 any committee of the Congress, or any duly authorized sub-
4 committee thereof, charged with considering foreign assist-
5 ance legislation, appropriations, or expenditures, has deliv-
6 ered to the Office of the Inspector General, Foreign
7 Assistance, a written request that it be furnished any docu-
8 ment, paper, communication, audit, review, finding, recom-
9 mendation, report, or other material in the custody or control
10 of the Inspector General, Foreign Assistance, relating to any
11 review, inspection, or audit arranged for, directed, or con-
12 ducted by him, unless and until there has been furnished to
13 the General Accounting Office or to such committee or sub-
14 committee, as the case may be, (A) the document, paper,
15 communication, audit, review, finding, recommendation,
16 report, or other material so requested or (B) a certification
17 by the President, personally, that he has forbidden the fur-
18 nishing thereof pursuant to such request and his reason for
19 so doing.

20 This Act may be cited as the "Foreign Assistance and
21 Related Agencies Appropriation Act, 1966."

Passed the House of Representatives September 8, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

89TH CONGRESS
1ST SESSION

H. R. 10871

[Report No. 708]

AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

Read twice and referred to the Committee on Appropriations

SEPTEMBER 13, 1965

Reported with amendments

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Sept. 23, 1965
For actions of Sept. 22, 1965
89th-1st; No. 175

CONTENTS

Appropriations.....10	Foreign trade.....4,7,12,17,24	Stockpiling.....13
Debt level.....9	Hardwoods.....7	Sugar.....2,14
Education.....22	National parks.....11	Tariffs.....24
Electrification.....8	Patents.....21	Trade fairs.....4,12
Exhibitions.....4,12	Peace Corps.....16	Trading stamps.....19
Fabrics.....7	Pesticides.....20	Veterans' affairs.....18
Feed grains.....17	Poverty.....1	Water conservation.....25
Flood control.....3	Research.....20	Watersheds.....5,15
Foreign affairs.....23	Rivers and harbors.....3	
Foreign aid.....10	Roads.....6	

HIGHLIGHTS: House received conference report on poverty bill. Rep. Findley criticized sugar program. Senate debated foreign aid appropriation bill.

HOUSE

1. POVERTY. Received the conference report on H. R. 8283, to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act (H. Rept. 1061), which the House is to act upon today. pp. 23784-8, D953
2. SUGAR. Rep. Findley criticized the sugar program and particularly the sugar bill, H. R. 11135. pp. 23800-3, 23805-7
3. RIVERS AND HARBORS; FLOOD CONTROL. Passed with amendments S. 2300, the rivers-and-harbors and flood-control bill. pp. 23762-84
4. EXHIBITIONS. Passed without amendment H. R. 9247, to provide for U. S. participation in the HemisFair 1968 Exposition to be held at San Antonio, Tex. pp. 23788-93
Passed, 254-113, as reported H. R. 30, to provide for U. S. participation in the Inter-American Cultural and Trade Center in Dade County, Fla. pp. 23788-9, 23793-800

- 2-
5. WATERSHEDS. A subcommittee of the Agriculture Committee approved various watershed-project reports for full committee action. p. D953
 6. ROADS. The Public Works Committee reported with amendment S. 2084, to provide for scenic development and road beautification of the Federal-aid highway systems (H. Rept. 1084). p. 23832
 7. FOREIGN TRADE. Rep. Schmidhauser spoke on "Iowa's stake in the export trade." pp. 23821-4
The Ways and Means Committee reported without amendment H. R. 7723, to suspend the tariff on importation of certain tropical hardwoods (H. Rept. 1075). p. 23832
The Ways and Means Committee voted to report (but did not actually report) H. R. 11029, amended, relating to tariff treatment of certain woven fabrics of vegetable fibers, except cotton. p. D954
 8. ELECTRIFICATION. Rep. Ottinger inserted and commended an article, "Why Not Bury Powerlines?" pp. 23826-8
 9. DEBT LEVEL. Rep. Curtis expressed concern about the debt level in our economy and inserted an article, "Liquidity and Debt." pp. 23815-19

SENATE

10. FOREIGN AID APPROPRIATION BILL. Began debate on this bill, H. R. 10871. pp. 23908-9
11. NATIONAL PARKS. The Interior and Insular Affairs Committee reported without amendment H. R. 9417, to revise the boundary of Jewel Cave National Monument, S. Dak. (S. Rept. 766). p. 23836
12. TRADE FAIRS. The Foreign Relations Committee reported with amendment S. 2167, to provide for U. S. participation in the HemisFair 1968 exposition in San Antonio, Tex. (S. Rept. 767). p. 23836
13. STOCKPILING. A subcommittee of the Armed Services Committee voted to report to the full committee H. R. 6852 (amended), to authorize disposal of about 47 million pounds of abaca from the national stockpile without the 6-month waiting period; H. R. 10516, to authorize the disposal of vegetable tannin extracts from the national stockpile; H. R. 10714, to authorize the disposal of colemanite from the supplemental stockpile; and H. R. 10715, to authorize the disposal of chemical grade chronite from the supplemental stockpile. p. D951
14. SUGAR. The "Daily Digest" states that the Finance Committee announced that it would "hold hearings on Tuesday and Wednesday, September 28 and 29, on H. R. 11135, to extend the Sugar Act, if this bill has passed the House by that date." p. D951
15. WATERSHEDS. Received from the Budget Bureau plans for works of improvement on the following watersheds: Zeigler Creek, Nebr.; Elko, Nev.; Swan Quarter, N. C.; Frogville Creek, Okla.; and Chocolate, Little Chocolate, and Lynn Bayou, Tex.; to Agriculture and Forestry Committee. Bayou Boeuf, Mauch Chunk Creek, Pa.; Middle Creek, Pa.; to Public Works Committee. pp. 23835-36

ingness to stand up and be counted when he feels it's required of him.

The Voting Rights Act of 1965, the 1964 Civil Rights Act, the Communications Satellite Act—these and other legislative milestones are in many ways monuments to the long hours Katzenbach spent in Capitol Hill, conciliating the sharply divergent views of lawmakers as the bills ground through Congress. As a result, it is easy to find responsible officials in Congress and the administration who feel, as one government lawyer of 25 years put it, that "Nick Katzenbach was the civil rights bill."

"If I had to name my own skills," Katzenbach admits, "I'd have to list first my ability to get people to agree to something."

On 2 consecutive days, Nick Katzenbach stood up when the could have played it cozy by staying away.

He fully backed the appointment of James P. Coleman, a Mississippi segregationist with whom he had been in sharp opposition, as a Federal judge in the South. Without Katzenbach, Coleman would have had to go it alone in convincing the Senate he would adhere to the law in his decisions as a judge.

Katzenbach also strongly defended Internal Revenue Service agents who had been caught with their wiretaps showing. His own department wasn't directly involved, but the IRS has contributed mightily to the Justice Department's drive on organized crime, and Katzenbach wasn't forgetting it.

"I could have told you he'd do that," says Katzenbach's wife, Lydia. She contends she can accurately predict his reaction to any given situation.

"He feels that a person operates from an inner core that develops and solidifies as he grows older," she explains. "And so he feels that when he's confronted with a difficult choice, he really, deep within himself, doesn't have much choice."

He also has a reputation as being slow to anger.

"I guess I get mad only when I feel my honor has been impugned, or if I been had," he says. On one occasion, a business group hinted it would bring high-level political pressure to bear on him if he opposed a merger important to the group.

"If I decide to go ahead with this suit," he says he told them "political pull won't do you any good unless another Attorney General is in this office." He later went ahead with the suit.

He has also demonstrated he can keep cool in the most trying of circumstances. Millions of TV viewers were bystanders when Katzenbach had his famous confrontation with Alabama Gov. George Wallace at the door to the University of Alabama in 1963. In a fascinating 13-minute scene, Katzenbach told the Governor that under the Constitution two Negroes seeking entrance had every right to enroll in the university. Then Governor Wallace responded with a long statement in which he said State law would prevail. The Negroes were denied entrance then, but the school has since been integrated.

Later when Katzenbach spotted Wallace at an inaugural ball for President Johnson, he murmured to a companion, "I've got a mad urge to go over and say, 'Governor, I'm Nick Katzenbach. I don't think we've ever been formally introduced.'"

"As a result of that confrontation," says Roy Wilkins, executive secretary of the NAACP, "and his general conduct in office, the Negro community has complete confidence in his understanding of its problems and his attitude toward them."

By the yardstick, Nicholas Katzenbach measures 6 feet 2 inches, but he gives the appearance of being much larger. He weighs 232 pounds, has brawny shoulders, a thick and powerful neck and large hands. One might expect a booming, thundering voice, but instead it is soft and soothing.

His suits are forever rumpled, although his wife insists he spends good money on clothes and would like—in the rare moments when he gives it any thought—to look neat. His garish, unmatching ties have become a trademark. His shirts, with few exceptions, are out at the elbows. His shoes rarely show a shine, and the fringe of light brown hair surrounding his bald dome often approaches his frayed collar.

Even among those who are closest to Katzenbach, there are few who have noticed—or know why—the right elbow of his shirts wears out first. Or why he chain-smokes his king-size filter cigarettes with an awkward, half bending of the right arm.

To grasp that elbow is to feel solid, swollen bone. Katzenbach is a victim of Page's disease—"Osteitis deformans"—a painful bone condition that usually attacks older men and results in an enlargement and deformity of the affected bones. The ailment—which was discovered in 1959 and frequently causes him intense discomfort—seems to be localized—although there's another touch of it in one hip.

Characteristically, he dismisses the ailment with: "It's a mess. But I don't think about it much."

Katzenbach suffers acute discomfort when he feels he is trapped in a crowd. Sometimes, says Lydia Katzenbach, he feels close to fainting.

During the President's state of the Union address to Congress last January Katzenbach sat in the front row with the Cabinet. Bathed in television lights, surrounded by sweltering human beings, he was so distressed that he made it through the evening only by a mental game in which he fixed in his mind the precise location of every exit from the House Chamber.

INDEPENDENCE DAY OF THE REPUBLIC OF MALI

Mr. KENNEDY of New York. Mr. President, today is the Independence Day of the Republic of Mali. It is the fifth anniversary of the day when French Soudan became the Republic of Mali and withdrew from the French community.

I know other Senators join me in wishing Mali well at this time of celebration in that West African country. Mali's relations with its neighbors have been strengthened as time has passed, and we all hope that, under the administration of President Keita, Mali will continue to grow and develop successfully.

I hope, too, that Mali can continue to have relations with the United States which are as friendly as possible within the framework of Mali's policy of non-alignment in world affairs.

On this Independence Day, then, I know that other Senators join me in wishing to see Mali achieve its aspirations in harmony with the other developing nations of Africa.

THE GOVERNMENT BOND MARKET

Mr. HARTKE. Mr. President, the Government bond market is not only a critical and massive component of the complex of capital markets which have developed in the United States. The Government bond market has also historically been a crucial leading indicator of fundamental economic trends. In a special article on the front page of the August 30 Wall Street Journal, George

Shea has provided precise documentation of the way in which the behavior of the Government bond market has called the turn on the business cycle during the past 10 years. In each case—1956-58, 1959-60, and 1961-62—a downturn in the Government bond market has been followed by a decline in stock prices and, finally, by a general turn toward recession.

As Mr. Shea points out, the Government bond market has shown marked weakness during the summer months of this year. On the one hand, this cannot be taken as any sort of clear signal that serious trouble is ahead for the U.S. economy; in the past, downturns in the market for Governments have gone on for many months before the economy has suffered. But, on the other hand, we must be constantly vigilant and aware of any and every indication of weakness amidst the general, unprecedented strength of our economy.

I ask unanimous consent that the Wall Street Journal article by George Shea be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

(By George Shea)

Since the final week of July the bond market, led by prices of U.S. Government bonds, has been declining almost every day. The significance of such a decline, if it persists, is that it often, though not always, precedes a decline in stock prices, followed by a downturn in general business.

This sequence of events is well established in both economic theory and in the economic records. The late Leonard P. Ayres more than 30 years ago wrote a book in which he traced this sequence in the business and financial cycles of the previous 100 years. And Arthur F. Burns, president of the non-profit National Bureau of Economic Research, in 1950 wrote a description of the typical business cycle—a description used again with minor revisions in a 1961 bureau publication—from which the following relevant sentences are quoted:

"Let us then take our stand at the bottom of a depression and watch events as they unfold. Production characteristically rises in the first segment of expansion. Indeed, every (economic) series moves upward except bond yields and bankruptcies. In the second stage the broad advance continues, though it is checked at one point—the bond market where trading begins to decline. Bond prices join bond sales in the next stage; in other words, long-term interest rates—which fell during the first half of the expansion—begin to rise. In the final stretch of expansion, declines become fairly general in the financial sector. Share trading and stock prices move downward."

"These adverse developments soon engulf the economic system as a whole, and the next stage of the business cycle is the first stage of contraction."

Within the past 10 years, furthermore, the sequence of downturns in bonds, then stocks, then business has been repeated more than once. Instances of it took place in 1956-58, 1959-60, and to a partial extent 1961-62.

In the 1956-58 case, U.S. Government bond prices began to slip off in the first half of 1956, edged down further in the second half and lost ground steadily after February 1957. Stock prices turned down in the second half of 1956, recovered in the first half of 1957 to about the 1956 high—reaching 521 for the Dow-Jones industrial average in July—then

fell 100 points as measured by that average in 3 months. Business started losing ground in August 1957 and declined until April 1958.

In the 1958-60 business expansion Government bond prices declined pretty steadily throughout, thus not conforming to the standard pattern of rising bond prices in the first stage of a business expansion. But otherwise the pattern was normal. The fall in bond prices continued until January 1960, and in that very month stock prices started their decline, which lasted into October, falling nearly 120 points from a top of about 685 as measured by the industrial average. Business turned down after May 1960, bottoming out in February 1961.

The 1961-62 experience differed in that although the bond-stock sequence was the usual one business didn't follow with a downturn only leveling off from spring to fall in 1962. Government bond prices fell from May 1961 to February 1962; and stock prices skidded from December 1961 to June 1962, with the industrial average losing 200 points from a top of 735.

Obviously, a decline lasting 1 month in bond prices, such as the one since late July, cannot be compared by itself with these previous instances when bond prices fell for months on end. However, the latest decline doesn't stand by itself; it can be regarded as an extension of mild downtrends which have taken place in the past couple of years.

These downtrends can be identified as having started with the year 1963, following the recovery in bond prices that came after the bond-stock decline of 1961-62. The monthly average yield of U.S. Government bonds with maturities of 10 years or more has been going up, with substantial interruptions, since December 1962.

At the top of the 1962 bond price recovery, in December, this monthly average yield was 3.87 percent. From there the yield rose slowly to an April 1964 high of 4.20 percent, after which it receded to 4.12 percent last November. Then it rose again to 4.16 percent in February this year, after which it held just below that figure through July. Since late that month it has gone up again, with the daily average reaching 4.21 percent at the end of last week.

That this trend may persist is suggested by several factors in the general economic background. Capital-spending plans of American industry, the rising expenses of the Vietnam war, and the normal rising trend of State and local government outlays all suggest that demand for credit is likely to continue strong, putting upward pressure on the cost of borrowing money.

How the credit resources of the Nation are being strained is reflected in banking statistics. In the year ended August 18 the banks that report weekly to the Federal Reserve System sold \$3.2 billion of U.S. Government securities in order to obtain the money to make loans and other investments.

If the various forces pressing on the credit supply continue to cause bond prices to fall and yields to rise, this trend will have to be recognized as one of the same general magnitude as those which preceded stock and business declines of the past. Up to the present the rise in yields cannot yet be regarded as having definitely gone above the 4.20 percent average for the whole month of April 1964, as the figure of 4.21 percent late last week reflected the closing prices of only 1 day.

Furthermore, the problem of timing is difficult. There is no standard duration for the bond-price drops that foreshadow stock and business declines. The 16-month rise in bond yields to April 1964 was not followed by any general decline in stock prices or business. Quite the contrary, the industrial average continued to move up with only minor interruptions for a year, and business has continued rising through July of this

year. Still, the warning being given by the direction in which bond prices and yields are moving is worth keeping in mind.

THE U.N. TRIUMPH

Mr. CHURCH. Mr. President, this is a day to count our blessings. A cease-fire has been achieved in the dangerous war between India and Pakistan, thanks to the effective work of the United Nations.

Congratulations are due Secretary-General U Thant for his determined efforts to arrange a truce, and to the Security Council for the vital role it played in bringing about a cessation of the hostilities. We can be proud also of the contribution made by Mr. Arthur Goldberg, our distinguished Ambassador to the United Nations.

From the beginning, President Johnson directed American policy in an astute and skillful manner. His decision to refrain from provocative declarations, his insistence that the United States observe a neutral posture, and his refusal to intervene directly in the war, are welcome indications that our diplomacy was tempered with discretion and restraint.

Most of all, we have reason to be thankful that the United Nations retains the vitality to do such great work in the cause of peace. The hands of the clock which were moving toward general war have again been stopped. A halt to the conflict, so imperative to world peace, has been achieved by the one organization to which all nations can repair.

In this country, there has been far too much tendency to deplore the failures of the United Nations, as though we had some right to expect miracles. By demanding too much from the U.N., we have often given it credit for too little.

President Johnson and U.N. Ambassador Goldberg, however, have never made the mistake of underestimating the importance of the world organization. They have continued to give strong U.S. support to the United Nations. Understanding the important role of the U.N. in the maintenance of world peace, the administration cooled down the simmering article 19 crisis earlier this summer, and thus helped to keep the U.N. intact.

Because the U.N. had been getting too little credit in our country, I introduced, in June of this year, a resolution in the Senate—Senate Concurrent Resolution 36—which reaffirmed American support of the U.N. Joining me in sponsoring this resolution were Senators FULBRIGHT, HICKENLOOPER, CLARK, AIKEN, and COOPER. This resolution passed both Houses of Congress before the President journeyed to San Francisco to address the U.N.'s 20th anniversary celebration. The expression of congressional support contained in the resolution has been rewarded well.

The United Nations has a history of extensive accomplishment in damping brushfires which might have led to bigger wars. In helping mediate various crises such as Berlin in 1948 and Cuba in 1962, the U.N. has also helped avert possible war between the great powers. In its role in the Korean war of 1950, the

Suez crisis of 1956, and in the conflicts in the Congo and Cyprus in this decade, the U.N. has played a vital part in the restoration of peace.

Now, in its 20th anniversary year, the United Nations may well have achieved its most important peacekeeping success on the subcontinent of Asia. In doing so, it gives even greater validity to Beardsley Ruml's famous 1945 prediction:

At the end of 5 years you will think the U.N. is the greatest vision ever realized by man.

At the end of 10 years, you will find doubts within yourself and all through the world.

At the end of 15 years, you will believe the U.N. cannot succeed. You will be certain that all the odds are against its ultimate life and success. It will only be when the U.N. is 20 years old that you will revere and laud the dedication of those who devote their energies to it throughout its turbulent course. For then we will know that the U.N. is the only alternative to the demolition of the world.

The course of the United Nations will continue to be turbulent, but we should pause today to pay tribute to those who have devoted their energies to its maintenance. The necessity for a United Nations has never been clearer than in the early morning hours today when the cease-fire was arranged between India and Pakistan. A tense world can now pause to breathe at least a momentary sigh of relief.

Mr. MORSE. Mr. President, I yield to the Senator from Tennessee [Mr. GORE] without losing my right to the floor.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATIONS FOR 1966

Mr. GORE. Mr. President, on behalf of the distinguished majority leader [Mr. MANSFIELD], I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 693, H.R. 10871.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

FOREIGN AID AND THE BALANCE OF PAYMENTS

Mr. McGEE. Mr. President, the concern of Senators regarding U.S. balance of payments is proper. But to judge whether foreign aid is justified by looking at its balance-of-payments impact is like determining the necessity of an operation by measuring its probable pain. Of course, there will be some balance-of-payments outflow from foreign aid, but the necessity of the program in terms of U.S. security and long-term U.S. interests is sufficient justification for its costs—both in terms of dollar appropriations and balance of payments.

It is highly ironic that as foreign economic aid has become a small and decreasing factor in the current U.S. balance of payments, charges have increased that the AID program is a major cause of our dollar deficit abroad.

Since 1959, in response to the changed situation of the U.S. balance of payments, the U.S. Government has taken measures respecting the use of assistance funds. Before this time, our aid dollars had not been tied to expenditures in the United States, and as the European economies revived and prospered, these countries became increasingly effective competition for U.S. aid purchases.

With only a few exceptions, funds provided by the current AID program can only be spent in the United States for goods and services produced in this country. Many people still think that AID simply ships bundles of U.S. dollars to the less developed countries, and that these countries then spend the dollars wherever and on whatever they choose. The fact is, of course, the overwhelming portion of funds appropriated to AID stay right here in the United States to finance exports of the machinery, equipment, spare parts, and so forth which the developing countries require in their efforts to grow.

This new policy of tying assistance funds is responsible for the substantial decrease in the effect of these programs on the balance of payments.

Let me be specific in regard to this improvement: David Bell testified before the Senate Banking and Currency Committee this year that AID's preliminary estimates for the calendar year 1964 showed that AID payments abroad had dropped to about \$400 million—less than half the figure in fiscal year 1962.

The current expenditure rate under our economic assistance program is almost exactly \$2 billion per year. Thus in 1964, for every dollar of economic aid extended, 20 cents showed as a current adverse impact in our balance of payments—not considering current or future receipts.

Put the other way round, 80 percent of AID's expenditures last year were spent right here in the United States for American goods and services.

Moreover, the proportion of AID appropriations spent in the United States is rising. Eighty-six percent of newly appropriated AID funds are now being committed for direct expenditure in the United States.

I am not just talking about the AID funds which finance purchases of commodities in the United States, I am talking about all AID expenditures—expenditures on U.S. services as well as U.S. products. These include items such as the costs of participant training in the United States, freight payments to U.S. shippers and administrative expenses. These latter costs constitute roughly one-third of all AID expenses.

Mr. Bell also testified that AID payments abroad in calendar 1964 were offset by repayment of past assistance extended by AID and the predecessor foreign assistance agencies of over \$150 million. This means, Mr. President, that

the net adverse effect of the AID program on the balance of payments in 1964 was only \$250 million.

The total U.S. balance-of-payments deficit in fiscal year 1964 ran to about \$3 billion. Clearly, the AID program was only a small factor in this total deficit.

Overseas expenditures of AID dollars, Mr. President, are a price that America must pay for conducting a foreign aid program.

They are part of the price we pay in our continuing efforts to raise the standard of living in the less-developed countries, and help create the conditions necessary for a stable world community of free and independent nations. In short, they are a price of leadership. U.S. soldiers are stationed throughout the world to preserve the peace.

We must spend dollars abroad to maintain these soldiers, but we rightfully do not resist these costs. I believe that the AID funds which necessarily must be spent abroad are likewise a necessary cost of promoting the U.S. interest.

There are, of course, indirect effects of the AID programs which cannot be recorded so easily on the accountants' ledgers. Very often dollars which enter the economy of a less-developed country from offshore AID expenditures may be used later by that country to buy needed goods in the U.S. market, or may go through trade channels to a third country, which will use the dollars for purchase of goods and services in the U.S. market. This is the so-called feedback effect. It means that the negative effect of the AID program on the balance-of-payments accounts is overstated.

In some cases, however, imports available under tied U.S. aid procurement are substituted for imports that would otherwise have been purchased with free foreign exchange in commercial channels. Of course, to the extent this occurs, U.S. commercial exports decline as U.S.-financed exports increase. But many of these dollars will also come back to the United States through third countries. The fact is U.S. commercial exports are rising—not declining—in the less-developed countries where AID maintains economic assistance programs. Between 1959 and 1964, U.S. commercial exports rose in 9 far eastern countries from \$428 to \$623 million; in 12 near east and south Asia countries, U.S. commercial exports rose from \$466 to \$692 million; they rose in 17 African countries from \$260 to \$265 million; and in 19 Latin American countries, they rose from \$2,739 to \$3,252 million.

Even more impressive is the fact that the total U.S. share of the worldwide export market is rising, despite the increased prosperity and competitiveness of other developed countries.

The fact that U.S. export trade in the less-developed countries is improving and not deteriorating should not be surprising. The evidence is plain that countries which we aid and help achieve steady economic growth better markets for U.S. exports are more attractive places for U.S. investment abroad. Over the last 15 years our exports to Europe have doubled and our exports to Japan

have tripled. As other countries—Spain, Greece, and Taiwan, for example—gain economic momentum and our aid comes to an end the same kind of result is evident. And because the aid program introduces and familiarizes the less-developed countries with U.S. products and services, I regard the AID program as one of our best long-run export promotion mechanisms.

It has also been claimed that AID expenditures are a direct cause of our gold flow. This is not correct. In fact, current AID recipients are selling more gold to the United States than they are purchasing. During 1964, these AID recipients sold \$89 million worth of gold to us for dollars, and purchased \$26 million of gold. The U.S. gold problem lies with the industrial countries of Europe, not in our relations with the AID recipient nations.

In conclusion, not only has AID successfully reduced the impact of its programs on the balance-of-payments deficit to a minimum, but the present programs will have a long-range positive impact on our balance of payments. This positive impact will result from increasing amounts of dollar repayments on previous AID development loans, expanding markets for our exports and improving opportunities for our private investment abroad.

Under these circumstances, Mr. President, a cut in the AID appropriations would have only a very small impact on our balance of payments. The real result would be injury to our own interests and to our efforts to influence the course of the future in the less-developed countries. I support the AID program. It is good policy; it is also good business.

AGREEMENT BETWEEN UNITED STATES AND CANADA ON AUTOMOBILES AND AUTOMOBILE PARTS

Mr. GORE. Mr. President, the Senate Finance Committee today reported a bill to approve the agreement between the United States and Canada with respect to automobiles and automobile parts carried thereupon.

An extremely important part of this deal is the side agreements between the Big Four automobile manufacturers in the United States and Canada and certain Canadian interests.

I shall take occasion to call attention to these unusual features when the bill is on the floor of the Senate. This is special interest legislation—very special—for the exclusive benefit of the Big Four, or rather Big Three and a Half automobile manufacturers in the United States and the Canadian economy.

The victims will be the automobile parts manufacturers and the labor employed in that industry in the United States, the U.S. economy, and our balance-of-payments position.

I hold in my hand an editorial entitled "That Auto Pact," appearing in the Washington Post of today. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THAT AUTO PACT

In January President Johnson and Prime Minister Pearson of Canada signed an agreement that was widely heralded as a measure to establish "free trade" in automobiles between the two countries. In later releases the term "freer trade" was substituted. And now, with House hearings completed some time ago and a parade of witnesses still appearing before the Senate Finance Committee, the public is learning that words do not always mean what one wants them to mean.

The pending legislation and supporting agreements provide for elimination of Canadian and U.S. import duties on all shipments of new automotive products—but not replacement parts—from one qualified manufacturer to another. The major Canadian manufacturers, which are subsidiaries of U.S. corporations, are to guarantee that they will schedule operations so as to maintain a fixed proportion between jobs in Canada and Canadian auto sales.

The agreement is defended by the administration as a workable solution for a most difficult problem. Canada, anxious to improve her trade balance, attempted to increase her auto exports by a tariff remission scheme that clearly violated the spirit, if not the letter, of the General Agreement on Tariffs and Trade (GATT). This country, in order to avoid levying a countervailing duty and risking the possibility of a Canadian reprisal, agreed to a plan under which Canada is awarded a much greater share of the total automotive employment than she would have under the present tariffs or in a genuine common market for automobiles.

The proponents of the bill place great emphasis on the economies of large-scale production that will be realized, but they are silent about the prices that Canadian consumers will pay. Auto prices are substantially higher in Canada, and so long as the "free" trade is confined to producers and denied to consumers, the price differential will remain and the putative economies of scale will not be fully realized. Canadian consumers, in short, will be paying a rather high price for a dubious guarantee of auto employment in their country.

Beyond the welfare of Canadian consumers, the implications of the measure for international trade policy are clearly disquieting. An agreement confined to the two countries violates the most-favored-nation (MFN) principle of GATT under which a tariff concession granted to one country must be extended to all. The State Department feels sure that a waiver can be obtained from GATT. But such waivers are just what undermines the principles on which a liberal international order rests. Why not amend the bill so as to extend the duty-free treatment to all countries on an MFN basis? The question of reciprocity could then be placed on the agenda of the Kennedy round.

The debate over the auto agreement has been conducted in an atmosphere of urgency that is not justified by the cold facts. Contrary to the impressions harbored in certain Government quarters, the Canadians are not in a strong position to precipitate a trade war. Therefore, before this country consummates a radical agreement in violation of the MFN and other principles that it has consistently espoused, another effort should be made to resolve the auto tariff problem by more orthodox means.

UNITED NATIONS INTERVENTION IN WAR THREATS

Mr. MORSE. Mr. President, as was just pointed out by the Senator from

Idaho [Mr. CHURCH], in the past couple of hours the press tickers of the AP and UP have been carrying stories announcing that, through the intervention of the United Nations, a cease-fire agreement has been entered into between India and Pakistan. Of course, that brings great relief to the world.

There are those who point out, and quite properly so, that, of course, the procedures of the United Nations are vital when they are used in a good-faith endeavor to substitute the rule of law for the jungle law of military might.

I am very proud that my country joined with other members of the Security Council in supporting a United Nations intervention in the war between Pakistan and India.

For more than 2 years the senior Senator from Oregon has stood shoulder to shoulder with the great Senator from Alaska [Mr. GRUENING]. We have been the two voices in the Senate who have consistently and persistently urged that the United States live up to its treaty obligations under the United Nations Charter in respect to its outlawry in Asia. For those 2 years we have been urging that the United States carry out its treaty commitments and obligations under the United Nations Charter by calling upon the United Nations to take jurisdiction over the threat to the peace of the world, in which the United States was a participant.

Praise-worthy as our course of action has been in urging and participating in the exercise of United Nations jurisdiction over the threat to the peace of the world in Pakistan and India, history will show the disgraceful conduct of the United States in regard to the undeclared, unconstitutional, and illegal war in Asia and the failure on the part of the United States to ask for the application of the articles of the United Nations Charter to intervene in this threat to the peace of the world, in which the United States is part of the cause.

O, consistency where art thou?

What a chapter we are writing. I join in praising the President and the Ambassador to the United Nations, Mr. Goldberg, for their course of action, vis-a-vis the United Nations and the war between Pakistan and India.

But there is no praise due them for their failure to follow a consistent course of action in respect to the war in South Vietnam.

I hope that perhaps the precedent they have now set in respect to U.S. action, through the United Nations, in respect to the war between Pakistan and India, may cause them formally and officially to address the Security Council asking it to take jurisdiction over the war in Asia, as the charter requires.

I say to my President, my Ambassador in the United Nations, and my Secretary of State that I am not interested in their repeating the argument we have heard for some 2 years that we probably would not have unanimity of support on the Security Council if we followed that course of action.

My answer has continued to be the same answer I have given to the Senate for 2 years: We never know until we try, and we cannot justify not trying on the

basis of a belief that if we try the resolution will be vetoed.

The American people are entitled to know what nation or nations refuse to live up to their commitments under the Charter of the United Nations.

If it is true that Russia and France would veto such a resolution, we have a clear moral duty and a legal obligation to show to the world what countries really do not want to abide by their commitments under the United Nations Treaty, other than the United States.

We are a self-convicted Nation in world history at this hour. We are a Nation which has convicted itself of a willful and knowing violation of its treaty obligations. Neither the President, nor the American Ambassador to the United Nations, nor the Secretary of State can erase that indelible recording that our violation of the treaty has written on the pages of history.

It is a great hour that announces a cease-fire in India and Pakistan. But I would like to see my country continue to write a glorious chapter of American history by proceeding forthwith to file the official resolution that the leaders of my country are bound to file under the charter, asking that the United Nations take jurisdiction over this shocking war in Asia.

If it did, I am satisfied it would also lead to an early cease-fire, followed by early negotiations for an honorable peace settlement under the auspices of the United Nations, bringing to an end this killing of increasing numbers of American boys and increasing numbers of Asians.

What a terrible page of history we are writing. We pick up the newspapers each day and read of the massacring that is going on in South Vietnam through the military might and power of the United States.

Each day we are increasing by the hundreds of thousands the Communists throughout Asia and the underdeveloped areas of the world. Each day, by this course of military action of the United States in Asia, we are jeopardizing future generations of American boys and girls, because if we continue to leave naught but a heritage of intense hatred to millions of people of the next generation and the generation to follow, what is the end?

As I have been heard to say before, there is no question that we can level North Vietnam and the Vietcong areas of South Vietnam.

They are without airpower. They are without any substantial military might. In a sense, our course of action of conducting war in Asia is similar to shooting fish in a barrel. We will win, as I have said so many times, every military engagement. Oh, yes; let me repeat, we can also go beyond North Vietnam and we can level the nuclear installations of Red China, which the dangerous war crowd in the Pentagon, composed, in my opinion, of the most desperate men in all the world, I believe have as their ultimate objective.

We can destroy the cities of Red China. We can bomb out what industrial complex she has. We can kill with our military airpower millions of her citizens,

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

Issued Sept. 24, 1965
For actions of Sept. 23, 1965
89th-1st; No. 176

CONTENTS

Air pollution.....16	Flood control.....3,24	River Basin.....21
Appropriations.....1,27	Food shortage.....2	Rivers and harbors.....3
Conservation.....22	Foreign aid.....1	Spending.....10
Contracts.....4	Labor standards.....4	Stockpile.....9
Cost-of-living.....15	Legal aid.....17	Tariffs.....25
Credit.....26	Legislative program..11,20	Trade expansion.....19
Elmer Thomas.....6	Loans.....13,23	Trade fairs.....7,11
Exhibitions.....7,11	Lumber.....14	Water problems.....5
Farm bill.....18	Poverty.....8,11,12	

HIGHLIGHTS: House adopted conference report on poverty bill. House passed bill to expand various FHA loan authorizations. Senate passed foreign-aid appropriation bill. Sen. McGovern spoke on world food problems.

SENATE

1. FOREIGN AID APPROPRIATION BILL. Passed, 59-22, with amendments this bill, H. R. 10871. Senate conferees were appointed. pp. 23917-8, 23926-49, 23957-87
2. FOOD SHORTAGE. Sen. McGovern spoke on the world food problem, stating that it is important now and will become the number 1 problem of the future. Sen. Dodd commended the speech, giving supplemental information. pp. 23918-24
3. RIVERS-HARBORS; FLOOD CONTROL. Conferees were appointed on the rivers-and-harbors and flood-control bill, S. 2300. House conferees have not yet been appointed. pp. 23949-57
4. CONTRACTS; LABOR STANDARDS. A subcommittee of the Labor and Public Welfare Committee approved H. R. 10238, to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies. p. D958

5. WATER PROBLEMS. S. Con. Res. 55, to express the sense of Congress regarding certain water problems confronting the U. S. and Canada, was transferred from the Foreign Relations Committee to the Public Works Committee. p. 24009
6. ELMER THOMAS. Sen. Monroney paid tribute to former Sen. Elmer Thomas, who was Chairman of the Agriculture and Forestry Committee. p. 24009
7. EXHIBITIONS. Sen. Lausche criticized S. 2167, providing for U. S. participation in the HemisFair to be held in San Antonio, Tex., in 1968. pp. 24008-9
8. POVERTY. Sen. Murphy inserted an article criticizing the Job Corps budget. p. 24001
Sen. Williams, Del., criticized an expenditure item of the Job Corps. p. 24003
9. STOCKPILE. The Armed Services Committee reported without amendment H. R. 10516, to authorize disposal of vegetable tannin extracts in the national stockpile (H. Rept. 778), and with amendment H. R. 6852, to authorize disposal of abaca (H. Rept. 779). p. 23987
10. SPENDING. Sen. Dirksen inserted a table showing 50 new authorizations and the amounts of resulting costs which he estimates. p. 23962
11. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the poverty bill will be considered today, the Senate will then adjourn until Tues., and the HemisFair bill will then be taken up. pp. 23964, 24009

HOUSE

12. POVERTY. Adopted the conference report on H. R. 8283, to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act. pp. 24021-22
13. LOANS. Passed with amendment S. 1766, the FHA loan expansion bill, after substituting the language of H. R. 10232 which was passed earlier, by a vote of 325 to 10, ^{with} an amendment by Rep. Dingell to require that proposed projects comply with State standards of pollution control (pp. 24051-69). See digest 161 for provisions of this bill.
14. LUMBER. The Merchant Marine and Fisheries Committee reported without amendment H. R. 10198, to amend the requirements relating to lumber under the Shipping Act, 1916 (H. Rept. 1088). pp. 24116-17
15. COST-OF-LIVING. The Post Office and Civil Service Committee reported without amendment H. J. Res. 569, requiring a cost-of-living survey to be made by the Bureau of Labor Statistics before the cost-of-living allowance for Federal employees in Puerto Rico and the Virgin Islands be reduced (H. Rept. 1091). p. 24117
16. AIR POLLUTION. Agreed to a resolution for the consideration of S. 306, to amend the Clean Air Act and to provide for the establishment of a Federal Air Pollution Control Laboratory. pp. 24045-48
17. LEGAL AID. A subcommittee of the Judiciary Committee approved for full committee action S. 1758, amended, to provide for the right of persons to be

to suppress the determination of any people to improve their lot in life. But I am greatly concerned that questioning the steadfastness of our Alliance for Progress policy as a result of the Dominican situation may serve only to reinforce such doubts as may exist and give rise to new ones. That is why I speak today.

I would consider it a great mistake to shake the confidence of the people of Latin America in the desire of the United States to adhere to this basic policy and to work for the security of the hemisphere through collective responsibility and multilateral action by the organs of the inter-American system.

In this connection, the House of Representatives resolution passed Monday strikes me as particularly unfortunate. Indeed, if our policy were as stated in that resolution, the concerns of the Senator from Arkansas would have been borne out. But the State Department has denied that the House resolution represents U.S. policy.

Mr. President, how much time have I remaining?

The ACTING PRESIDENT pro tempore. Two minutes remain to the Senator from New York.

Mr. JAVITS. I thank the Chair.

Mr. President, the Senator from Arkansas, in his detailed discussion of the Dominican crisis, neglected to offer his suggestions on how the nations of the Americas should deal in the future with situations in which the Communist takeover of a Latin American Republic through aggression or subversion appears likely or imminent, while the House resolution supports an almost unlimited range of action, including unilateral action, which is not and should not be in accord with our Latin American policy.

As I made clear when the Senator from Kansas [Mr. CARLSON] and I introduced our resolution, I feel that collective action is the only wise and reasonable way to handle situations of this kind. The House of Representatives resolution supports essentially unilateral action. The resolution of the Senator from Kansas and myself, and the suggestions which I have made, are directed toward multilateral action. I believe that we should definitely go on record to that effect.

The applicable treaties of the inter-American system contain prohibitions against intervention in the internal affairs of the member states. Article 15 of the OAS Charter provides:

No state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state.

Article 17 of the charter provides further:

The territory of a state is inviolable; it may not be the object, even temporarily, of military occupation or of other measures of force taken by another state, directly or indirectly, on any grounds whatever.

But the Rio Treaty also contains provisions applicable to such situations. Article 6 of that treaty states:

If the inviolability or the integrity of the territory or the sovereignty or political independence of any American state should be affected by an aggression which is not an

armed attack or by an extracontinental or intracontinental conflict, or by any other fact or situation that might endanger the peace of America, the Organ of Consultation shall meet immediately in order to agree on the measures which must be taken in case of aggression to assist the victim of the aggression or, in any case, the measures which should be taken for the common defense and for the maintenance of the peace and security of the continent.

These provisions are broad enough to be applied to any situation in which it is collectively determined that the peace of the hemisphere might be endangered.

With the OAS legitimization of the Dominican intervention, by a 14-to-5 vote of the meeting of consultation of the OAS foreign ministers on May 6, the inter-American system rose to the test and met it. That system is sound, but it needs to be strengthened and given the means with which to act promptly and effectively in emergency situations.

Certainly there is room for dispute as to whether or not the U.S. assessment of the likelihood of Communist takeover of the Dominican revolution was justified. The Senator from Arkansas invokes the alleged failure of the United States to evaluate properly the possibility that the Communists supported, but were not likely to take over, the revolution. The Senator from Connecticut [Mr. Dodd] points to the findings of the five Ambassadors of the other American Republics appointed by the OAS as a special committee to investigate the Dominican situation and other evidence to prove the contrary.

The ACTING PRESIDENT pro tempore. The time of the Senator from New York has expired.

Mr. PASTORE. Mr. President, I yield 1 more minute to the Senator from New York.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized for 1 additional minute.

Mr. JAVITS. Mr. President, but this dispute may never be satisfactorily settled. What actually happened in April 1965 is a matter for history. Our real concern now must be our policy in the days and years ahead, and we cannot ourselves contribute to eroding confidence in our policy.

For that reason, I urge action on the resolution introduced by the Senator from Kansas and myself to assure the people of the Americas that our policies have not changed and that we continue to support their quest for social and economic advancement under free institutions.

It is for that reason that I have urged the State Department to get behind needed reforms in the inter-American system. If we act in the Senate on the resolution of the Senator from Kansas [Mr. CARLSON] and myself—which is a concurrent resolution—it will allow action by the other body, should the other body choose to act, thereby dealing with a rather disagreeable situation created by the resolution of the other body, which the State Department almost immediately denied represents U.S. policy.

What the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Connecticut [Mr. Dodd], the Senator from Penn-

sylvania [Mr. CLARK], the Senator from Georgia [Mr. RUSSELL], and other distinguished Senators have done is to put us on the road to a challenge to make clear to the Americas that our policy is constant. Today, I have suggested a means by which we may effectively accept that challenge and put it to good use in the interests of peace, freedom, and the development of the Americas.

Mr. President, I am grateful to the Senator from Rhode Island for yielding to me.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1966

The Senate resumed the consideration of the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. PASTORE. Mr. President, I yield 5 minutes on the bill to the Senator from Missouri [Mr. LONG].

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized for 5 minutes.

Mr. LONG of Missouri. Mr. President, during the past 20 years, the United States has made progress in the task of combating the grim conditions in which communism thrives—poverty, hunger, disease, and economic stagnation.

Our dollars have been encouraging economic development in countries which 20 years ago were called hopeless and “distined forever to underdevelopment.”

Today, the fires of freedom are burning. Through our assistance program, millions of people have been given an alternative to communism, and alternative to hopelessness and despair.

Children who might have died in infancy are today alive and in school because the United States sent dollars, doctors, and nurses to start village health programs.

Mr. President, the aid program we are considering today concentrates our economic aid in the few countries where it will to the most good. Around 72 percent of our military aid is going to 11 countries which face the day-to-day pressure of communism. These 11 countries border on the Communist bloc. Nearly 80 percent of our economic aid is going to only 11 countries which have the ability and the desire to lick their most pressing problems.

Two-thirds of our development loans are going to countries which are using substantial amounts of their own money and resources. For every American dollar the major U.S. aid countries allocate an average of \$3 from their own resources.

The appropriations which we are considering today will be largely spent in the purchase of American goods. Over 85 percent is tagged specifically “to be spent only in the United States.”

Four years ago, just 40 percent of our aid dollars was used to buy U.S. products. In 1960, only 26 million U.S. aid dollars were spent buying American farm and industrial machines. Last year however, 170 million U.S. aid dollars were spent

for U.S. machines. Last year, five times as many U.S. aid dollars were spent on American chemicals than were spent in 1960. Four times as many U.S. aid dollars were spent on American fertilizer than were spent in 1960.

Much of this aid money therefore helps to build U.S. export trade. Aid program purchases in the United States build trade ties for the future. Take for example the results of our postwar aid to Japan and Germany. These two countries, once devastated and impoverished, are today among our biggest trading partners and, may I add, these countries are more and more taking on themselves the burden of assisting less-developed peoples.

We have made great strides in getting other strong free world countries to build their aid programs. Today over one-third of all free world aid comes from our allies. Each year they increase their share.

The great question before the Senate today is this: Are we going to keep fighting communism with American dollars and American know-how? The answer we give is basic to the future of the free world. If we do not fight communism with American dollars and exports today, we may miss an opportunity to prevent Communist aggression, we may miss an opportunity to prevent another Vietnam tomorrow.

I believe, if we do not fight communism with American dollars, that we may have to fight communism with more and more American boys. I much prefer to spend an American dollar instead of the life of an American boy.

Let us continue the aid program begun by President Harry Truman. Just as Harry Truman's Marshall plan aid turned back the tide of communism in Turkey and Greece, so today we must turn back the Communist tide in other countries.

Mr. President, I support the foreign assistance appropriation bill of 1966 because it will provide a vital tool for the cause of peace, freedom, and prosperity around the world.

THE MOST IMPORTANT WAR

Mr. McGOVERN. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. Mr. President, I yield 15 minutes to the Senator from South Dakota, to be taken out of the time of the opposition. I have received permission to this effect from the minority leader, the Senator from Illinois [Mr. DIRKSEN].

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized for 15 minutes.

Mr. McGOVERN. Mr. President, the most challenging crisis for the rest of this century will be the accelerating race between food and people. We are faced with the specter of widespread hunger and starvation on a scale the world has never before known unless we begin today to plan for tomorrow's food needs. The nations of the earth must do more than they are now doing to meet future food demands or major starvation will

be the most painful fact of life on this planet within 10 years.

Even today, human hunger is a much more serious problem than is generally realized. Half a billion people suffer from inadequate quantities of food. Another billion subsist on improperly balanced diets, most notably a shortage of protein foods. Three million children die each year from diseases induced by malnutrition. Countless human beings go through life permanently crippled physically, mentally, and emotionally because of inadequate protein, vitamins, and minerals in their formative years. The ever present companions of malnutrition—lethargy, disease, and premature death—breed a vicious circle of listless human beings powerless to break out of their misery and yet capable of breeding more misery for their children and for generations yet unborn.

During 1961 and 1962, when I was privileged to serve as food-for-peace director for the late President Kennedy, I developed a growing conviction that the most overwhelming paradox of our time is to permit half the human race to be hungry while we struggle to cut back on surplus production and overeating. Science has broken the space barrier, but not the bonds of hunger. Today's hunger, however, is only a mild indication of the enormous food gap that looms on the horizon.

Writing in 1789, Dr. Thomas Malthus, of England, observed that man's capacity to reproduce his kind was so much greater than his capacity to produce food that population would soon exceed available food supplies. Starvation would then be man's lot unless his numbers were kept down by war, pestilence, or other drastic developments.

I think I may fairly make two postulates—

Wrote Malthus.

First, that food is necessary to the existence of man. Secondly, that the passion between the sexes is necessary, and will remain nearly in its present state.

As for the hope expressed by his contemporary, Mr. Goodwin, that "the passion between the sexes may in time be extinguished," Malthus observed:

Toward the extinction of the passion between the sexes, no progress whatsoever has hitherto been made. It appears to exist in as much force at present as it did 2,000 or 4,000 years ago.

Assuming then, my postulates as granted, I say—

Continued Malthus—

that the power of population is indefinitely greater than the power in the earth to produce subsistence for man.

Population, when unchecked, increases in a geometrical ratio. Subsistence increases only in an arithmetical ratio. A slight acquaintance with numbers will show the immensity of the first power in comparison of the second.

Although it has been intellectually respectable to scoff at the predictions of Malthus in view of the unforeseen increases in food production during the past 150 years, his warnings may yet prove to be valid. Certainly, one cannot look at the projection of current food production and population growth with-

out a sense of genuine alarm for the future. Multitudes of people are now on a collision course with starvation.

What are the facts behind this disturbing prospect?

Fact No. 1: The population of the world is now accelerating at a faster rate than is food production. It has taken the entire history of the human race from the Garden of Eden to the year 1960 to reach a global population of 3 billion people. But the most careful projection indicates that by the end of this century—35 years hence—the population of the globe will be double its present size, or 6 billion. What required thousands of years to achieve will be duplicated in 35 years.

These figures testify to the marvels of modern medicine, sanitation, and scientific achievement in extending human life. But they also present an arresting outlook because they are not accompanied by a proportionate increase in food production. Because food production is now lagging behind a burgeoning world population, there are more hungry people in the world today than any previous time in recorded history.

Fact No. 2: The prospects for substantial increases in food production in the areas of greatest need, most notably Asia and Latin America, are not encouraging. In three regions of the world—first, the United States and Canada; second, Western Europe; and, third, Australia-New Zealand, plus parts of Argentina and southeast Asia—there are adequate food supplies. These regions have utilized modern technology, an educated rural population, concerned government, economic incentives and fertilizer, pesticides, hybrid seed and other innovations to increase the productivity of the land faster than their population growth.

But the combined population of these food surplus regions includes only one-fifth of the world's people. The other four-fifths live in Asia, Latin America, Africa, and the Middle East. These areas are increasing their populations faster than either the supply of arable land or the productivity of their presently cultivated acreage. There is today only 0.4 of an acre of cropland per person in Asia, as compared to 1.2 acres per person in the United States and Canada—a ratio three times more favorable for North America than for Asia.

This imbalance between people and arable land is greatly complicated by two other factors. First, underdeveloped regions, such as Asia—with the exception of Japan—have not significantly increased the productivity of their cultivated acreage. Primitive farming methods, improper irrigation techniques, the lack of an educated rural population, inadequate credit and land ownership structures, ineffective political leadership, the absence of rural extension services, a shortage of capital, the lack of farm-to-market roads or a cash market for produce, and the generally low priority which many countries have attached to rural development—all of these deficiencies have held agriculture in a primitive state characterized by static productivity in most parts of the world.

sixteenth century, these positions were overrun by a further Muslim conquest from the northwest—that of the misnamed Moguls.

Islam's adherents, thus deposited widely over India, came to aggregate about a fourth of a population preponderantly Hindu. They were concentrated more in the north and formed majorities only in the northwest and northeast extremes. Great ethnic, lingual, and regional differences divided them.

Besides being heavily outnumbered, Muslims were generally at a competitive disadvantage in important vocations. A main exception was the military profession. The Bengalis aside, Muslims generally did well at soldiery. They also enjoyed the prestige of religious identity with the establishments ruling over large portions of the subcontinent at the Mogulate's zenith and through its long decline. But with the Mogulate's final collapse and the advent of the British raj in 1857, Muslim thought had to meet the problems of a disadvantaged and highly self-conscious minority. The response was to emphasize connections with the great body of Islam outside the subcontinent. Insecurity was redressed by invoking a community, part mystical and part real, epitomized in the caliphate which combined religious with temporal authority in the Turkish sultan.

Humiliation of the caliphate with the defeat of Turkey in World War I and the secular-minded Ataturk's subsequent outright abolition of the institution amounted to a spiritual amputation for the subcontinent's Muslims. A movement developed to restore the caliphate as their anchor of significance. Meanwhile, eventual independence for India, prefigured in Britain's grant of a small measure of self-rule in the 1919 Government of India Act, became a growing prospect. The caliphate movement found a new name as the Muslim League and a new purpose in demands for autonomy, and then for separate statehood for Muslims in the event of independence for India. In dreams spun by this movement, a Muslim state in the subcontinent, as the Islamic world's most numerous and powerful, would be looked to for leadership by Muslims everywhere and would thereby gain an importance rivaling or even excelling India's. But there were secular considerations too. Proponents of Pakistan sought a polity of their own so as to escape political subordination to a majority from which they felt alienated.

Specifically, two factors appear to have been indispensable in the resulting emergence of Pakistan. One was the driving personality of Mohammed Ali Jinnah—a man of no strong religious impulse but of implacable resolve not to be ruled by Hindus. The second was a determination to preserve the professional identity of Muslim officers fearful of being submerged or eliminated when the British Army in India should become the Indian Army.

The new state of Pakistan took form in two territories, with a population differentiated in language, personality, and outlook. A thousand unfriendly Indian miles separated them. A governing apparatus had to be assembled from scratch. Trained talent was woefully short, for much of the Muslim component of the Indian civil service opted for India. The new army was infected by a conspiracy hatched between Communists and hothead officers. The founding father soon died. His lieutenant was assassinated. No unifying figure was at hand. The economy was in a bog. Pakistan's survival through its initial years seemed improbable.

External relations gave no comfort. The anticipated ascendancy among Muslim states proved a pipedream. Pakistan seemed outclassed. Besides its numerical advantage, India had the prestige of an ancient historic name and a world renowned leader, Jawaharlal Nehru. Pakistan's name was synthetic and unfamiliar, and its leaders were

scarcely notable even at home. The most bedeviling frustration related to a dispute over a former princely state in the Himalaya.

Under agreed principles for dividing up the subcontinent, princely states would adhere to Pakistan or India at their rulers' option—a provision included at the instance of the negotiators for Pakistan-to-be, with an eye to Deccan Hyderabad, with its rich Muslim Nizam in sway over a mostly Hindu populace. They expected to finesse the situation in Kashmir, where for a century a Hindu dynasty had been misruling a mostly Muslim populace. These expectations went awry. The Indians preempted Hyderabad in force. Kashmir's shaky maharaja, who had probably nursed futile dreams of autonomy, summoned India's help against armed intrusions from Pakistan and signed an accession to India, only to be soon displaced for unfitness.

Pakistan and India tottered to a mountain war beyond their means. Then a U.N. commission arranged a cease-fire under continuing international supervision. The outcome left India's Army holding the bulk of the contested area, including the coveted Vale of Kashmir, and Pakistan's forces in the margins. India, as well as Pakistan, agreed or at least said it agreed to a plebiscite rather than force as a means for settlement. For the time being, both states refrained from annexations within their lines. Perhaps India's declared intentions were sincere. Perhaps its design was to delay long enough to predetermine, if possible, a favorable tally. In any event, India soon began to renege, especially after its 1952 elections brought a nationalist upsurge uncompromisingly against any concession to religious identities within India and for annexation in Kashmir. Thereafter India shifted ever more unequivocally to a thesis holding the status of Kashmir to be a domestic concern, a settled issue, no business of Pakistan's. Obviously, Pakistanis felt that they were being patronized and scorned.

A half dozen years after independence, Pakistan's need of something to anchor to outside, of some substitute for the extinct caliphate, was desperate. It was then, in the wake of stalemate in Korea, that the United States began shopping for Asian members for an alliance hopefully designed to ward off further attempted Communist conquests in southeast Asia. Pakistan responded. Its Foreign Minister tried to get the Manila Treaty amended to focus it against India. Secretary of State Dulles said no; the pact would be confined to anti-Communist purposes. Otherwise, the Senate would not concur. Pakistan signed on as a recruit anyway. Its new ally was a big country and a big spender. Pakistan would get aid to quicken its economy and to expand and to update its armed forces. U.S. military aid would be subject to provisos requiring the concurrence of Washington for its use against foreign enemies. The insistent neutrality of the United States on issues of high moment to Pakistan might be modified in time and by persuasion. At least, Pakistan could so hope. It joined another regional pact, sponsored but not adhered to by the United States, and in 1958 the United States came through with a bilateral agreement specifying concern for Pakistan's security. Pakistan's forces made a good showing with the aid they received. In return, the United States was using Pakistani locations for its strategic observations.

Perennially petitioning at the U.N. and elsewhere, Pakistan continued to elicit from others, including its big ally, homilies about negotiation and settlement of its dispute with India—as if the solution depended on trading parcels of territory, distributing waters, and adjusting local anomalies. But Kashmir stood as a classic instance of an unnegotiable issue, because it bears on the very *raison d'être* of both parties.

India is a congeries of faiths—Muslim, Christian, Buddhist, Jainist, Parsi, and Sikh, as well as Hindu, and the Hindu system itself is riven into a complex of exclusory castes. India could not exist as a modern state except on a secular basis. India must fight for its national life against ever-latent disintegrative forces. It has small margins. It professes to see a mortal risk in making concessions to the idea of a religious basis for allegiance. But Pakistan's existence rests on religious identity, which compels it to uphold self-determination for Kashmir. Pakistan-to-be was fickle to its own premise in the 1947 gambit on the right of princes to opt for their subjects. In any event, a choice exercised by an unfit, precarious ruler seems a sorry basis on which to foreclose such an issue. Each disputant understands fully, even if it cannot accept, the other side's position. Further parleying became pointless long ago.

Short of being forced into submission, it is hard to see how either could accept terms acceptable to its adversary. Probably neither regime could concede and survive. Pakistan could not possibly back down. It could only trouble the issue along, growing increasingly restive but still unable to break out of a status quo in which India held the advantages. The possibility of an alternative approach, in explicit or tacit conjunction with Red China, was probably long entertained by the Pakistanis. I so surmised on observing the lionizing of Chou En-lai in Karachi in December 1956.

Three years ago India announced with great flourish a decision to oust the Chinese from a disputed zone on her borders. The Chinese responded militarily with shattering effect on a limited front. Without even waiting to get terms signed, the United States began rushing military aid to India. It made no stipulations about Kashmir. One can suppose India would not have budged anyway on Kashmir. Subsequently, a number of visiting U.S. emissaries made ritualistic appeals for the disputants to negotiate some more. India stuck to its position. So did Pakistan.

For Pakistan the United States must have lost all its value as surrogate to the caliphate, at the moment of beginning military aid to India. Pakistan responded by doing the analytically logical thing, warming up to China. Whatever terms, if any, may have been agreed between them, Pakistan now has a partner with whom it is aligned respecting India. Boxed in, India finds it difficult to marshal forces against Pakistan. My impression from afar is that Pakistan's moves in the initial stages of the renewed war have reflected comprehensible military purposes, but that India's have been frantic and feckless, as when bombers were sent against East Pakistan cities, with no probable result except solidifying Pakistan's Bengalis behind a war for which they otherwise might have scant enthusiasm, or when an ill-prepared Indian thrust was made toward Lahore.

Pakistan, economically more of a going concern than formerly, has been doing relatively better than India. It might well make it, militarily preempting the position in Kashmir and forcing India's regime beyond its political resources. The disintegrative effect on India would delight China. The effect on U.S. interests would be deleterious. It would be bad to have it demonstrated that an Asian country, trampled while allied with the United States, can score a large success after shifting its alignment to China.

IF THERE IS NO CEASE-FIRE SOON

(By Stephen Barber)

Neither the Indian nor the Pakistani armed forces have the capacity to sustain a long war against the other. Although both have domestic munitions plants, and India has a fledgling aircraft industry, and both have substantial accumulations of American, Brit-

ish, French, and Russian materiel, a point must soon be reached where each side will be forced to husband its resources. Short of some master-stroke, and despite the fact that the Indian army comprises 17 divisions against Pakistan's eight and that in population terms the balance is $4\frac{1}{2}$ to 1, the regular forces are unlikely to achieve more than a stand-off.

But when that happens, if not before, irregulars may very well keep up the fight; more alarmingly, communal violence is liable to break out on a 1947 scale, when between 500,000 to 1 million perished.

Communalism is the curse of the subcontinent. It is not limited to Hindu-Moslem antagonism. Sikhs in the Indian Punjab, who were driven out of their ancient settlements around Lahore in 1947 almost to the last man, have never got along well with their Punjabi Hindu neighbors. This has led to bloody clashes.

The language issue in India has led to riots again and again—the most recent being in South India this summer where Madrassis objected violently to the imposition of Hindi in place of English as the nation's official language.

New Delhi has run into similar troubles in Assam, and the volatile Bengalis have constantly been rioting about something—whether politics, bread, religion, or language. In caste-ridden India, it has been enough to set off bloody uproars for an untouchable to draw water from a village well, thus defiling it in the eyes of those higher in the Hindu scale.

As if that were not enough, clashes have regularly taken place between Indians and so-called tribals—primitive hill folk. For years the Indian army and air force has tried and failed to subjugate the Nagas, who demand independence from Delhi. This has soaked up battalions of troops.

India's 50 million Moslems form one-ninth of its population; the Moslem pockets isolated in a Hindu mass are an easy mark. It is hard to say whether they are more vulnerable in the big cities, such as Delhi, Calcutta, and Bombay, where Moslems are apt to be shopkeepers and artisans and are better off than their Hindu neighbors and on that account alone a target for hatred, or in isolated village communities.

For 17 years the armed forces on both sides have been preparing for this war. If it now ends in a stand-off, as I believe it must, what happens to the reputations of the military? Could Field Marshal Ayub Khan survive as President? And if not, what will follow him? Obviously for the moment the armed forces loom large on the New Delhi scene. But they took a nasty knock in terms of popular prestige in the Himalayas when they were put to flight by the Chinese nearly 3 years ago. If they cannot now inflict a clinching

defeat on Pakistan, one wonders what their title to leadership will be.

The longer the war goes on and the more the threat gathers momentum of its degenerating into interreligious knife-play by undisciplined fanatics on a wide scale, the more dangerous the entire picture becomes.

Anyone who has mixed with educated Pakistanis and Indians over the age of 40, soldiers or civilians, notes that they rub along amicably enough together just so long as Kashmir is not mentioned. They are products of the same school, figuratively and often literally. The tragedy is that so many of these folk now stand a very good chance of being swept aside.

There is going to be a well-nigh irresistible tendency in both camps, of course, to blame Britain and America for the entire calamity. It may be academically interesting for military experts to see whether the U.S. Patton is really a better tank than the British Centurion or the Hawker Hunter more maneuverable than the Lockheed Lightning, but you can take it for certain that the West will catch it in the neck either way.

The chorus will be: "You let us down."

Attempts by the American Congress to apply pressure by cutting off civilian aid along with military to both sides, which was voted down on President Johnson's say-so, will certainly be remembered as attempted blackmail. Aid to both has been frozen.

For all these reasons, then, I foresee the upshot of this war as being the emergence of a new India-Pakistan. New leaders will appear, and unless we are very lucky, careful or both, the prospect is that they will be an even more prickly lot to deal with.

The odds look to me about even as between military dictatorship and a Marxist-based takeover. The only thing that can stop this, and save the existing power elite in both countries, is to agree on a cease-fire while each enjoys sufficient domestic prestige to hang on. But at this writing the chances of such a recourse to reason and self-interest do not look good.

THE USES OF MILITARY AID

(Testimony before the Senate Foreign Relations Committee, May 6, 1959)

Senator GORE. I find it difficult to defend giving a vast amount of military assistance to Pakistan and then providing economic aid to India with which she buys Canberra bombers. We are paying the bill on both sides.

Secretary of Defense McELROY. This defense, of course, is not against India. This is allocated to Pakistan for defense against Russia and China.

Senator GORE. Well, that may be your purpose, but our official who is there with the program day to day says that insofar

as the Pakistanis are concerned, they want it as armament against India.

Secretary McELROY. Well, we don't agree with them.

Senator GORE. But you give it to them, nevertheless, and they are the ones who will use it, not you.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1966

The Senate resumed the consideration of the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. PASTORE. Mr. President, I yield myself whatever time may be necessary to make an opening statement on the bill.

Mr. President, the foreign aid and related agencies appropriation bill for fiscal year 1966, which is now before the Senate, recommends appropriations of new obligatory authority in the amount of \$3,907,188,000. This amount is \$281,735,000 under the budget estimates and \$94,265,000 under the amount allowed by the House.

In reporting this bill to the Senate, the committee took into consideration the will of the Senate when it acted upon the authorization bill in the first instance and approved the sum of \$3.243 billion for title I of that bill, relating to economic and military assistance. In comparison with the ceiling of \$3.243 billion in the authorization act as it passed the Senate, the committee total for title I is \$3.193 billion, or \$50 million below the Senate authorization ceiling. This recommendation of \$3.193 billion for title I, "Economic and military assistance," is \$92 million below the House allowance and \$266,470,000 under the amounts requested in the budget.

A summary of the bill, printed on page 2 of the committee report, sets out the comparisons of the three titles of the bill, including the budget estimates, the bill as it passed the House, and the amounts recommended by the Senate committee. I ask unanimous consent, Mr. President, to have this table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of the bill

Title	Item	Budget estimates (amended)	Bill as it passed House	Recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—	
					Budget estimate	Bill as it passed House
I	Foreign assistance	\$3,459,470,000	\$3,285,000,000	\$3,193,000,000	—\$266,470,000	—\$92,000,000
II	Foreign assistance (other)	729,453,000	716,453,000	714,188,000	—15,265,000	—2,265,000
III	Export-Import Bank of Washington (limitations)	(1,190,172,000)	(1,190,172,000)	(1,190,172,000)		
	Total	4,188,923,000	4,001,453,000	3,907,188,000	—281,735,000	—94,265,000

Mr. PASTORE. For "Technical cooperation and development grants" under title I, the committee has concurred with the House recommendation of \$202,355,000, which is \$16,645,000 under the budget request. The funds provided hereunder will be used principally to hire experts and technicians to help less-de-

veloped nations help themselves in such fields as education, health and sanitation, communications, transportation, and public administration. These funds also finance ocean freight charges on relief shipments by approved American nonprofit voluntary agencies.

The appropriation item, "American

schools and hospitals abroad," has been recommended at the budget figure of \$7 million, which is the same as the House allowance. This is a reduction of \$9,800,000 under the 1965 appropriation, occasioned largely by the completion of financing for the new medical center at the American University at Beirut.

For "International organizations and programs," an appropriation of \$144,755,000 is recommended, which is \$800,000 under the budget estimate. Under this appropriation, funds are provided to permit the continued participation of the United States in the following United Nations and other international programs:

U.N. expanded program of technical assistance and Special Fund-----	\$65,000,000
U.N. technical and operational assistance to the Congo----	5,000,000
U.N. relief and works agency for Palestine refugees-----	15,200,000
U.N. Children's Fund-----	12,000,000
U.N. Food and Agriculture Organization—world food program-----	2,000,000
International Atomic Energy Agency—operational program-----	1,000,000
Indus Basin Development Fund-----	43,100,000
International Secretariat for Volunteer Service-----	120,000
World Health Organization, medical research-----	100,000
U.N. peacekeeping: U.N. Emergency Force (Near East)---	835,000
U.N. Training and Research Institute-----	400,000
Total-----	\$144,755,000

Two of these—World Health Organization, medical research; and U.N. Training and Research Institute—are new co-operative activities designed to promote the dissemination of information on cancer research and to encourage research in promising areas, in the first instance, and to provide advanced training for present members of the U.N. Secretariat, as well as for citizens of new nations for service with the U.N. or with their own national administrations, in the latter case.

The next item in title I is "Supporting assistance." For this item, the committee has recommended an appropriation of \$369,200,000, which is the same as the House allowance but \$80 million under the budget estimate.

Supporting assistance is economic aid which is employed to advance and protect U.S. national security and foreign policy objectives by assisting those nations which need help in maintaining their defensive forces against Communist expansion and in preserving their economic and political stability under such pressures. The objective of supporting assistance is to move a country out of this aid category as rapidly as conditions within the country permit. Nearly 90 percent of the aid under this appropriation will be concentrated in four countries: South Vietnam, Laos, Korea, and Jordan; and about half of this will go to Vietnam alone.

Over the past decade there have been three phases through which a number of countries have moved in recovering from political and/or military upheavals with external help. In the first phase, external security and a minimum of internal law and order are established. In the second, political and economic institutions are strengthened and the economy is stabilized. In the third phase, economic growth picks up speed, and dependence on extraordinary assistance is

gradually reduced and then eliminated. Good illustrations of countries which have moved from one phase to another are Greece and Taiwan. While these countries depended heavily upon supporting assistance in the past, they are no longer recipients of such aid.

For the "Contingency funds"—both general and southeast Asia—the committee recommends the full budget estimate, \$50 million in the first instance, and \$89 million for southeast Asia. These funds are necessary for the successful attainment of the total objectives of the foreign assistance program. They are used to meet urgent and unforeseen needs, or needs which could not be defined with reasonable accuracy at the time the budget estimates were presented to the Congress. In the pending bill, the \$89 million for southeast Asia is a case in point. On June 3, in a budget amendment, the President requested this sum for mutual defense and development programs in southeast Asia. The full amount was authorized by the Congress in Public Law 89-171, and the committee has concurred with the House in allowing the full estimate.

Contingency funds are used in several different types of situations. First, there are the cases in which there is an urgent need to expand assistance to a country, the security of which is threatened by new or intensified Communist attack, threat, or subversion. Past examples of this type of use have occurred in both Laos and Thailand.

The second type of situation, and for which by far the most frequent use of the contingency fund is made, is to alleviate conditions of suffering wrought by earthquakes, floods, or other disasters.

The third type of situation is in those cases where unexpected economic or political crises occur and where prompt economic aid—even though it may not meet the criteria of development assistance—must be used to protect both the short- and long-run U.S. interests in the country aided. Thus, whether it be used for preventing Communist infiltration, to relieve people afflicted by disaster, or to protect the U.S. interests in a particular country, there is no question that a prompt and flexible U.S. response in meeting a legitimate assistance need has been attained through the use of the contingency fund.

Under the Alliance for Progress, there are two separate appropriation items: First, "Technical cooperation and development grants," and second, "Development loans." For "Technical cooperation and development grants," the committee has recommended \$75 million, the same as the sum contained in the House bill. For "Development loans," the sum of \$435,125,000 has been approved, which is \$10 million below the House allowance and \$60 million under the funds requested in the budget. Together with the \$29,686,000 in unobligated balances and other funds which will be available, the committee recommendation of \$435,125,000 will provide a program of \$477,811,000.

The Alliance for Progress record makes it clear that the performance by the United States and Latin America requires mutual fulfillment of Alliance

projects. United States aid to Latin America is going to those countries which are taking the necessary steps to effect social, land, and tax reforms, and which are employing the necessary self-help measures. While there is much to be done by many of the countries in Latin America along these lines, testimony presented to the committee indicated that there is visible evidence of progress in most Latin American countries which have committed themselves to the policies, reforms, and improvements developed under the programs of the Alliance for Progress.

For "Development loans, worldwide," the committee has recommended \$593,225,000, which is \$82 million below the House allowance and \$187,025,000 below the estimates for fiscal year 1966. However, it has been determined from recent information that \$91,292,000 of unobligated 1965 funds will be carried forward into fiscal 1966, and this, together with the new funds recommended and \$60 million to be derived from receipts, reimbursements, and estimated recoveries will provide a total program availability of \$744,517,000.

Under this item in the bill, the House language prohibited use of development loan funds to implement section 205 of the authorization act. This language has been deleted by the committee and, in lieu thereof, the committee has provided that not to exceed 10 percent of the development loan funds may be made available to the International Development Association, the International Bank for Reconstruction and Development, or the International Finance Corporation for use in accordance with laws governing U.S. participation in such institutions. The Agency for International Development proposes to use this authority on a matching basis so that any additional funds the United States contributes to these institutions would be accompanied by an increase in the funds contributed by others. This could be a useful instrument to persuade other donor countries to increase their levels of aid.

For the last two items funded under "Economic assistance"—namely, administrative expenses for the Agency for International Development and administrative expenses to be reimbursed to the State Department—\$54,240,000 has been allowed for the former and \$3,100,000 has been approved for the latter.

For "Military assistance," the committee recommends the full amount of the budget estimate, \$1,170 million which is the same as the House allowance.

In view of the grave threat of Communist expansion and of internal subversion by nationalistic or communist extremists which faces many nations of the world, the committee believes it to be judicious and in the best interests of this country and of the free world to appropriate the full amount requested for military assistance. In southeast Asia and the Far East, our military assistance program is of special importance and urgency, as Senators well know.

Turning to title II of the bill, which includes funds for the Peace Corps, administration of the Ryukyu Islands, various activities relating to assistance to

refugees, and financing for the Inter-American Development Bank and the International Development Association, the sum of \$714,188,000 is recommended. Of this amount, \$102 million is recommended for the Peace Corps, together with unobligated balances remaining available on June 30, 1965, in the amount of \$12,100,000, which will provide a total of funds available for fiscal year 1966 of \$114,100,000. This will allow all but \$900,000 of the \$115 million requested by the Peace Corps. The \$900,000 was eliminated by Congress during the authorization process.

The committee has recommended the full amount of the budget estimate, \$14,733,000, for the administration of the Ryukyu Islands, which is the same as the House allowance.

For "Assistance to refugees in the United States," \$30 million is recommended. This is \$2,265,000 under the House allowance and the revised budget estimate. During the hearings, departmental officials advised the committee that their estimates of need for fiscal year 1966 had just recently been determined to be lower than anticipated and requested the reduction of \$2,265,000. Senators may be interested to know that the cost of this program have decreased from a high in fiscal 1963 of \$56 million to \$46 million in 1964, \$36.6 million in 1965, and an estimated \$30 million for fiscal 1966.

For "Migration and refugee assistance, Department of State," the committee recommends the budget estimate, \$7,575,000, the same as the House allowance. This is a \$625,000 reduction from last year's appropriation, and is made possible, the committee was informed, by continuing progress in the solution of refugee problems and greater contributions by other governments toward refugee and migration costs.

For the "Investment in the Inter-American Development Bank and the subscription to the International Development Association," the committee has recommended the full budget estimate, \$455,880,000 and \$104 million, respectively. The committee report, which is before the Senate, explains the purposes for which these funds were appropriated.

Under title III of the bill, the Export-Import Bank of Washington, the committee has allowed the full budget estimates for the limitation on operating expenses and the limitation on administrative expenses.

There is one language amendment in the bill which might best be brought to the attention of the Senate at this point.

Section 116, on page 12 of the bill, was inserted by the Senate committee and relates to the transportation of strategic items and other materials to North Vietnam. The House in its version of the bill had amended section 107, prohibiting assistance to any country which sells, furnishes, or permits any ships under its registry to carry items to Castro's Cuba, by adding the words "or to North Vietnam." The committee has prepared an entirely new general provision relating to North Vietnam rather than to attempt to legislate on North Vietnam in the

language relating to Cuba, which has been in the law for many years.

Under this provision, the intent of Congress is clear that aid should be denied to any country which fails to take appropriate steps to prevent its ships from transporting strategic items, items of economic assistance, or other equipment, materials, or commodities to North Vietnam.

That concludes my presentation, Mr. President, and I now ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded as original text for the purpose of amendment; provided that no point of order shall be considered to have been waived by reason thereof.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 25, after "section 252", to strike out "\$445,125,000" and insert "\$435,125,000".

On page 3, line 5, after "section 202(a)", to strike out "\$675,225,000" and insert "\$593,225,000"; and, in line 8, after the word "expended", to strike out "Provided, That no part of this appropriation may be used to carry out the provisions of section 205 of the Foreign Assistance Act of 1961, as amended" and insert "Provided, That not to exceed 10 per centum of this appropriation shall be available to carry out the provisions of section 205 of the Foreign Assistance Act of 1961, as amended".

On page 7, line 12, after the word "regime", to strike out "or to North Vietnam,".

On page 8, line 1, after the word "regime", to strike out "or to North Vietnam,".

On page 12, after line 7, to insert: "Sec. 116. In determining whether the funds appropriated or made available pursuant to this Act for assistance under the Foreign Assistance Act of 1961, as amended, may be used for assistance to any country, the President shall take into account such steps as that country has taken to prevent ships under its registry from transporting strategic items, items of economic assistance, or other equipment, materials or commodities to North Vietnam. If any country receiving assistance fails to take appropriate steps to prevent its ships from transporting such items, it is the sense of the Congress that assistance should be denied to that country."

On page 15, line 8, after "(5 U.S.C. 55a)", to strike out "\$32,265,000" and insert "\$30,000,000".

Mr. PASTORE. Mr. President, even though I have read the statement hurriedly, I stand ready to answer any question on the bill.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ELLENDER. Mr. President, I send to the desk three amendments. The first reduces the amount for the military assistance program by \$100 million; the second reduces the amount of the contingency funds by \$30 million; the third amendment reduces the amount for the general development loan fund from \$593 million-plus to \$543 million-plus, or a total of \$50 million.

Mr. PASTORE. Mr. President, do I correctly understand that the amendments of the Senator from Louisiana are to lie at the desk until they are called up by him?

Mr. ELLENDER. The Senator is correct.

Mr. President, I should like to propound a unanimous-consent request. I have sent three amendments to the desk. I understand that under the present agreement I am entitled to 30 minutes on each amendment.

Mr. PASTORE. That is correct.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ELLENDER. I ask unanimous consent that the time allotted to me on the three amendments be consolidated, so that I may make a general statement on the amendments, the time to be charged equally to each amendment.

Mr. PASTORE. In other words, the Senator is asking that the hour and a half allotted to him to be charged generally to the three amendments.

Mr. ELLENDER. That is correct.

Mr. PASTORE. I have no objection.

Mr. ELLENDER. I may not use all of that time.

The ACTING PRESIDENT pro tempore. The three amendments will be considered together.

Mr. ELLENDER. Yes; and such time as I may consume in making my general statement will be charged to all three amendments.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. PASTORE. I have no objection.

Mr. COTTON. Mr. President, reserving the right to object, if the three amendments are to be considered together, does that mean that the Senate will vote on them together?

The ACTING PRESIDENT pro tempore. No; they will be discussed at the same time.

Mr. ELLENDER. They will be discussed at the same time, but acted on separately.

The ACTING PRESIDENT pro tempore. Without objection, the request of the Senator from Louisiana is agreed to.

Mr. SALTONSTALL. Mr. President, has the Senator from Rhode Island yielded the floor?

Mr. PASTORE. I yield the floor.

AMENDMENTS NO. 449

Mr. SALTONSTALL. Mr. President, I call up my amendments No. 449 and ask that they be stated.

The ACTING PRESIDENT pro tempore. The clerk will read the amendments.

The LEGISLATIVE CLERK. On page 2, line 10, delete "\$202,355,000" and insert "\$182,355,000".

On page 2, line 14, delete "\$144,755,000" and insert "\$134,755,000".

On page 2, line 16, delete "\$369,200,000" and insert "\$349,200,000".

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, I suggest the absence of a quorum, the time to be equally divided between both sides.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, I ask for the yeas and nays on my amendments.

The yeas and nays were ordered.

Mr. SALTONSTALL. Mr. President, my amendments are very simple. This concerns a subject which all Senators have discussed for years and know about.

Primarily the committee, on the recommendation of the chairman of the committee, discussed informally, but did not agree upon, a cut of \$42 million. Ten million dollars of this cut was to be from the Alliance for Progress development loan funds and \$32 million from the development loans. This would restore the amount to that provided for in the Senate authorization bill.

Several Senators, including myself, proposed to eliminate \$100 million from the bill. This would make a total cut of \$142 million, which would be a comparatively small percentage.

The committee, by a very close vote, sustained a further cut of \$50 million, making a total of \$92 million. That is the form in which the bill has just been discussed by the acting chairman of the committee, the distinguished Senator from Rhode Island.

My amendments relate to further cuts. One proposed reduction is a \$20 million cut from technical cooperation, or approximately an 8.5-percent cut. There is a proposed reduction of \$20 million from supporting assistance, approximately a 5-percent cut. There is also a proposed reduction of \$10 million from the international programs, or approximately a 7-percent cut.

My amendment would not in any way affect the Alliance for Progress funds, in which so many of us are interested.

I call attention to the fact that, from the information which we have received—and I believe that it is accurate—this bill is overfunded by approximately \$6,800,000 in the economic sections. When we consider this amount, my additional cut would be approximately \$43 million, rather than \$50 million.

I have always supported and been on the generous side concerning foreign aid. I believe that we must cooperate with other countries. In the pending legislation, there was no cut, by either the House or Senate committee, in the amount of funds recommended by the administration with relation to military aid.

One billion, one hundred and seventy million dollars is provided in the bill for military assistance. While the figures are classified, I can assure the Senate that a substantial additional amount of military assistance must be provided if we are to support our services and assist the Vietnamese people in South Vietnam.

In addition—and again the figures are classified—I assure the Senate that we shall have to appropriate a substantial sum, hundreds of millions of dollars,

to support our own forces in Vietnam and to increase the amounts of procurement for our forces around the world in order to take care of procurement of materiel that must be sent to Vietnam for our troops.

Mr. President, I proposed this additional small cut in the committee. Because I sincerely believe that we shall have tremendous additional military expenses and responsibilities around the world on an increasing rather than on a decreasing scale, I believe that we should cut a little more from supporting assistance, which is where the cut would primarily be, and from the development grants.

These are small additional cuts, amounting in all to \$50 million, or approximately 1.5 percent of the total economic aid bill in supporting assistance, technical cooperation, and international programs.

I believe that the funds that we would appropriate, if these amendments were agreed to, would be sufficient to carry out our responsibilities under those three programs of our foreign aid in the next fiscal year.

Mr. President, this bill is now \$50 million below the Senate authorization and, if my amendments are agreed to, it will be \$100 million below the Senate authorization. I believe that sufficient funds will be provided to carry out our responsibilities.

I feel confident that our military assistance to Vietnam will be greatly increased in addition to the amount provided in the bill. The increase will be taken care of by means of supplemental appropriations for the support of our own troops and operations, maintenance accounts, procurement accounts for materiel, and all accounts that are necessary to support our forces in Vietnam.

There will be substantial increases in the supplemental budget that will be submitted to us in January.

We have already increased our expenses over there, first by \$700 million and then by an additional \$1.7 billion, so we know that to that extent our original budget figure has been increased; and we know there are going to be further expenditures to carry out our obligations in Vietnam.

Therefore, Mr. President, I ask that my amendments cutting \$50 million more from the figure in the committee report be agreed to.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. PASTORE. I yield myself 5 minutes, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island is recognized.

Mr. PASTORE. I wish to say at the outset that no Senator has been more loyal to this program than my distinguished colleague the senior Senator from Massachusetts. No Senator has higher respect and admiration than have I for his judicious treatment of the matter, especially before the subcommittee, but also before the full committee.

However, the Senator should understand today that, with the exception of the year 1955, when the request was \$11

million less than it is for the fiscal year 1966, this is the smallest amount ever requested by any administration in the entire life of the foreign aid program.

That means what, Mr. President? It means that the Senate committee which is held responsible for scrutinizing and exhaustively investigating every request made has cut the bill down to the marrow of the bone. What we do not want to do today is to get into the marrow, and destroy the program.

Every single item that was presented to our committee was scrutinized and gone over with a fine-tooth comb, and, as a result, we have cut the House bill by \$92 million. That is quite a feat for the Senate, because the process has usually been the other way. The Senate has always granted reclaims; we have always granted new requests to increase amounts over the amount allowed by the House.

Mr. CARLSON. Will the Senator yield?

Mr. PASTORE. I am happy to yield to the Senator from Kansas.

Mr. CARLSON. I believe the Senator from Rhode Island made the statement that this is the lowest request ever made for this particular program. I happen to be a member of the Senate Foreign Relations Committee and somewhat familiar with our foreign operations.

Would not the Senator agree that the reason for the reduction is not necessarily the way we have closely scrutinized the program, but may very well be because at one time, over 100 nations were receiving our aid, but the number has now decreased to about 76? That should have some effect.

Mr. PASTORE. It will have some effect. But the Senator must realize that when we had some 100 nations, we did not have a situation such as we have experienced within recent weeks between Pakistan and India. We did not have the situation in the Dominican Republic. We did not have the situation in Vietnam. These things, of course, also have an effect.

The argument that is being made here is that we have a tremendous responsibility in Vietnam. No one challenges that statement. We must do everything we possibly can to stop the encroachment of communism anywhere in the world, because we realize that if we do not do it 3,000 or 7,000 miles away from our own shores, the possibility is that we might have to do it on our own threshold. We wish to avert that if we possibly can.

The Senator's proposed cut comes at a dangerous time. Let us remember that within 1 day there has been a cease-fire in India and Pakistan. Much credit for that must go to the international world forum, the United Nations.

What has the Senator from Massachusetts in mind? As I understand, he proposes to take \$20 million out of technical assistance; he proposes taking \$10 million out of the agencies in the United Nations. There we are, taking it out of the United Nations. He also proposes a cut of \$20 million or more out of supporting assistance.

I say to the Senator from Massachusetts that if that is what he is proposing,

it should not be done. This is not the time for it. At this time we should be giving to the United Nations and its agencies the morale, the assistance, and the support that is necessary.

I heard only today on television, on the Today program, that because of the splendid achievement in bringing about a cease fire under the auspices of the United Nations, there is a good possibility that some kind of negotiated agreement might be achieved in Vietnam.

We are going to try. Is it not much better to spend a few dollars to stabilize the economies of underprivileged nations, to avert these situations that compel us to spend money by the millions when we begin to send our boys to troubled areas?

Mr. SALTONSTALL. Will the Senator permit a brief observation, or would he prefer not to be interrupted?

Mr. PASTORE. I am always happy to yield to my gracious colleague from Massachusetts.

Mr. SALTONSTALL. I thank the distinguished Senator from Rhode Island.

I point out that in the United Nations, which the Senator was discussing—that is my reason for interrupting him—the Indus Basin Development Fund has \$43 million, and the United Nations Special Assistance and Technical Fund \$65 million, out of the total contribution of \$144 million. My cut, of course, is only \$10 million, which could very well, under present circumstances, come out of the Indus Basin Development Fund.

Mr. PASTORE. I realize that. But all of that was taken into account by the House, by our committee, and by the administration.

I say it is dangerous to do it now. We are being pennywise and pound-foolish. I admit that there are situations throughout the world which are regrettable, which are deeply disappointing. But let us not get into a position where we begin to lament the fact that we bought fire insurance on our house, and feel that we had to pay the premiums and therefore made a bad investment. We are sorry, it would seem, only because the house did not burn down. That is the philosophy we are adopting here.

The money we have spent has represented protection. Not only does it help other nations; it secures America. Yes, there is benevolence in the program. There should be, because America has always had a compassionate heart. But there is the interest of America as well in this program.

Today we are the most affluent society in the world. We have 6 percent of the population. We occupy 7 percent of the land mass of the world. But we have 40 percent of the wealth of the world. If this world falls apart, who has the most to lose? The United States of America. That is the reason why we have this program. It is out insurance.

Of course, it does not work out perfectly. It cannot be humanly perfect. But I am sure my fellow Senators will admit that administratively speaking, it is on a sound basis, the soundest basis

it has ever been in the history of the program.

We have as administrator a man by the name of David Bell. He is one of the finest administrators in all our experience. When he comes before the committee, he has already been cautioned to be careful not to ask for one penny more than he can use.

To be more specific, what are the unobligated funds? I understand that the unobligated funds with reference to the technical assistance program are about \$10 million, which is a very small sum when one realizes that after all, it must be committed judiciously. There are no unobligated funds with reference to the international agencies, if we consider them all together. There is a slight unobligated amount, I think about \$3 million—\$3,812,000—under the supporting assistance programs.

Mr. President, what I am saying is this: I have been selected by the Appropriations Committee to assume the responsibility of chairing these hearings and managing the bill on the floor. In doing so, whether I am a great success or a failure, I bring no bouquets or brickbats back to Rhode Island. This is the highest program—

Mr. SALTONSTALL. Will the Senator yield?

Mr. PASTORE. If I may complete my eloquence. I am at a moment of drama now. Spare me that.

There will be no flags flown for PASTORE because I saved the bill. It is the one job in the Senate that everyone runs away from, but it is the job that needs to be done.

Not long ago there was a meeting at the White House which was attended by Republican and Democratic Senators. We were addressed by the Secretary of State, the Secretary of Defense, and the Representative of the President at the United Nations. We were talked to by the head of the World Bank. We were talked to by almost every high official, including the President of the United States himself.

The President made it abundantly clear that so far as he is concerned, when it comes to spending foreign aid money, he is going to be a hard-nosed negotiator.

I have no fear. I saw Lyndon Johnson operate when he was chairman of subcommittees on the Appropriations Committee. I followed him directly on that committee. I know how careful he has been to make sure that we do not spend any more than we necessarily must. He wants the taxpayers to get 100 pennies' worth for every tax dollar spent. I have great confidence in that man.

Mr. President, the bill has been cut below the figure the President asked. We have already cut it \$92 million. It is not that we have added anything, and now the Senator from Massachusetts [Mr. SALTONSTALL] wishes a cut. We have already cut it by \$92 million, which is \$50 million less than the Senate authorized only a few weeks ago.

I believe that we have gone the limit. Please do not throw out the baby with the bath water.

Mr. ALLOTT. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. Mr. President, I yield 8 minutes to the distinguished Senator from Colorado.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The Senator from Colorado is recognized for 8 minutes.

Mr. ALLOTT. Mr. President, I support the amendments now pending before the Senate, despite the eloquence of our distinguished chairman, to whom we all listened on at least two occasions in committee on this question.

We must consider other factors at this time which, in my opinion, are going to be of overwhelming importance.

First, let me state that as everyone knows, I have always supported a foreign assistance program. To me, it is the height of stupidity to say that the President do the job he is supposed to do if he does not have any kind of foreign economic assistance program.

However, I have been concerned for a long time about the size of the program. I have been concerned about falling into the trap of looking for places to spend money.

It is significant that this year we finally dropped an item from the budget called "Surveys of Investment Opportunity." We even had our own people out looking for places to spend money, until this year. Fortunately, that has now been dropped from the budget.

Because I do not wish my position to be misunderstood I will say that I agree with the distinguished chairman of the subcommittee—and I am sure the ranking senior member of the Republicans would also say it is true—that Mr. Bell is an efficient and a good administrator. What I shall have to say will in no sense be a reflection upon him personally, or upon his administration of foreign aid funds, because I believe that he has done a fine job, and I would be remiss in my duty if I did not state that fact.

I ask unanimous consent to have included at the conclusion of my remarks several tables to which I shall refer as I speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLOTT. Mr. President, the first one I wish to have included is U.S. contributions to the United Nations special programs, shown on page 56 of the hearings.

There is no question that we are spending approximately \$7.5 billion a year for foreign aid. This takes in a great number of programs, as shown in the hearings. That is what we wish to avoid.

On page 65 of the hearings, when I asked Mr. Bell about the \$7.5 billion, he said:

A figure of between \$5 and \$6 billion is not in my opinion a misleading figure.

The only difference between the \$7.5 billion figure and his figure is the non-inclusion of certain items, such as Export-Import Bank loans and Public Law 480 funds.

The second table I should like to have included at the end of my remarks is the

table shown on page 67 referring to International Affairs and Finance.

The table on page 63 shows the new foreign aid funds requested in 1965, and it is one that I wish to have included in the RECORD at the conclusion of my remarks, together with subsequent tables.

What will be available this year in funds carried over? Mr. Bell, on page 69 of the hearings, stated that on June 30, 1965, there was \$6.321 billion unexpended, which will be available this year. The table on page 69 shows \$10.6 billion unexpended, and I would like that table also to appear at the conclusion of my remarks. Again, the difference between the figures is the noninclusion of such items as Export-Import Bank loans and Public Law 480 funds.

Even using the lower figures which Mr. Bell used, we have \$9.7 billion available for expenditure this year. It will be at least that much, including the carryover from last year.

As the distinguished Senator from Massachusetts has pointed out, the cuts he has proposed amount to less than 1½ percent. Can any Senator seriously contend that a cut of 1½ percent in foreign aid funds cannot be imposed without crippling the expenditures of those funds and without tying the hands of the President?

I do not believe that such a contention can be successfully made. This is a

large amount. It is a large fund. To cut it in these respects, certainly is reasonable.

Where are the proposed cuts?

Twenty million dollars in technical cooperation and development grants.

Ten million dollars in international organizations and programs.

Mr. President, I believe that the proposed cut of \$10 million in international organizations and programs might well be larger than that. This is a wholly reasonable cut.

The proposed cut of \$20 million in supporting assistance makes a total of \$50 million. We have left the Alliance for Progress funds and our Latin American friends in good shape in the bill. The cut which was made in committee for the Alliance for Progress funds was only \$10 million, and that was left in good shape.

By Mr. Bell's own statement, he said that he would prefer that cuts be assessed to the development loans generally; not to the Alliance for Progress loans but, rather, to technical assistance.

Mr. President, there comes a time when we have to look hard at these programs.

The Senator from Massachusetts spoke of problems that we shall have to face to finance the war in Vietnam during the coming year.

I cannot repeat the figures which were given to us, but we are going to spend a great deal of money over there next year.

When the Congress comes back in January, the first thing we are going to be faced with will be a supplemental appropriation bill to finance the war. The figures will astound most people in the United States. Knowing this is coming, it behooves the Senate of the United States to act with every precaution, to act as a reasonable man would and to cut this amount, and thus insure that the program carried on under AID will be a hard program, with no softness in it, and no feathers in it.

I cannot believe—and I am sure no one else will believe—that cutting the amount in this area by a mere 1½ percent is going to hinder the President or tie his hands or keep us from doing a meaningful job in support of our military forces that are now in Vietnam. For those reasons, and for the additional reason that I do not think it can be contended that this cut is sufficient to cripple anyone in the program, and that there is money there sufficient to do the job in support of our purposes and in support of our foreign policy, I hope my colleagues in the Senate will agree to the amendments offered by the Senator from Massachusetts.

EXHIBIT 1

U.S. contributions to the United Nations special programs, calendar years 1961–65

(In thousands of dollars)

	1961		1962		1963		1964 estimate		1965 estimate	
	Contribution	Percent	Contribution	Percent	Contribution	Percent	Contribution	Percent	Contribution	Percent
Peacekeeping (assessed and voluntary):										
United Nations Emergency Force:										
Assessed.....	6,116		3,122		3,037		5,665		5,485	
Voluntary.....	1,800		1,322		372		872		850	
Subtotal, UNEF.....	7,916	41.66	4,444	45.58	3,409	35.88	6,537	36.82	6,335	36.82
United Nations operation in the Congo:										
Assessed.....	32,204		25,616		10,550		4,787			
Voluntary.....	15,305		11,401		1,768		704			
Subtotal, UNOC.....	47,509	47.51	37,017	46.27	12,318	37.33	5,491	30.17		
United Nations Force in Cyprus ¹ (voluntary).....							7,596	46.06	4,000	34.40
Peacekeeping.....	55,425		41,461		15,727		19,624		10,335	
Special programs (voluntary):										
United Nations Children's Fund.....	12,000	46.00	12,000	44.00	12,000	42.00	11,809	40.00	12,000	40.00
U. N. economic assistance to the Congo.....	17,950	(2)	53,000	(2)	29,400	(2)	5,000	(2)	5,000	(2)
U. N. expanded program of technical assistance.....	17,627	40.00	19,642	40.00	21,620	40.00	22,509	40.00	22,500	40.00
U. N. Special Fund.....	19,625	40.00	25,111	40.00	30,799	40.00	36,492	40.00	37,500	40.00
U. N./FAO world food program.....					1,200	40.00	2,438	40.00	1,362	40.00
U. N. High Commissioner for refugees program.....	1,300	33.33	1,200	33.33	700	24.30	600	33.33	600	33.33
U. N. Relief and Works Agency for Palestine refugees in the Near East.....	23,500	68.49	24,700	70.00	24,700	70.00	24,700	70.00	24,700	70.00
WHO—Community water development program.....	175	100.00	400	100.00						
WHO—Malaria eradication program.....	4,000	89.60	2,500	80.89						
WHO—Medical research program.....	500	100.00	500	100.00	500	100.00			100	20.00
Special programs.....	97,577		141,553		120,919		115,548		103,762	
Total.....	153,002		183,014		136,646		135,172		114,097	

¹ The amount shown for 1964 covers the initial 9-month period only. The amount shown for 1965 covers 6 months only, and includes airlift services amounting to \$996,450.

² Since July 1960 the United States has provided about 56 percent of the total economic assistance which has been made available to the Congo from both multilateral and bilateral sources.

International affairs and finance

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligation authority for 1966
	1964 actual	1965 estimate	1966 estimate	
Administrative budget funds:				
Conduct of foreign affairs:				
Department of State	\$279	\$296	\$306	\$318
U.S. Arms Control and Disarmament Agency	6	10	10	12
Tariff Commission	3	3	3	4
Foreign Claims Settlement Commission	9	37	2	2
Economic and financial programs:				
Agency for International Development:				
Development loans	768	862	870	780
Technical cooperation	226	190	205	210
Alliance for Progress	272	365	398	580
Supporting assistance	371	370	390	369
Contingencies and other	360	263	237	271
Subtotal, Agency for International Development	1,997	2,050	2,100	2,210
International financial institutions:				
Present programs	112	62	10	310
Proposed legislation		258	25	250
Peace Corps	60	80	105	125
Export-Import Bank	-702	-645	-480	
Other	12	15	21	12
Food for peace ¹	1,704	1,661	1,661	1,658
Foreign information and exchange activities:				
U.S. Information Agency	161	164	161	173
Department of State	46	52	59	62
Subtotal, administrative budget	3,687	4,043	3,984	² 5,136
Trust funds	62	-106	258	² 115
Intragovernmental transactions and adjustments for net cash issuances or withdrawals by international financial institutions (deduct)	256	301	89	
Total	3,492	3,636	4,153	

¹ General notes:

1. The estimates in the budget cover requirements under existing legislation and under legislation which is proposed for enactment by the Congress.
2. Unless otherwise indicated, all references to years in this volume are to fiscal years ending June 30.
3. Details in the tables and charts may not add to the totals because of rounding.
4. Pursuant to Public Law 88-638, approved Oct. 8, 1964, the food-for-peace program authorized by Public Law 83-480 is treated in this budget as part of the "International affairs and finance" function. In prior budgets, sales of agricultural commodities under titles I and IV of Public Law 83-480 were included in the function "Agriculture and agricultural resources."

² Compares with new obligational authority for 1964 and 1965, as follows:

Administrative budget funds: 1964, \$4,457,000,000; 1965, \$6,759,000,000.
Trust funds: 1964, \$57,000,000; 1965 \$32,000,000.

New foreign aid funds requested in 1965

Foreign assistance requests, as amended (mutual security)	\$3,459,470,000
Receipts and recoveries from previous credits	209,770,000
Military Assistance Advisory Group	76,000,000
Export-Import Bank (long-term credits)	900,000,000
Public Law 480 (agricultural commodities)	1,658,000,000
Inter-American Development Bank (Latin America)	705,880,000
International Development Association (IDA)	104,000,000
Peace Corps	115,000,000
Contributions to international organizations	96,953,000
Permanent construction overseas (military)	85,986,000
Education (foreign and other students)	69,200,000
Ryukyu Islands	14,733,000
Migrants and refugees	7,575,000
Atomic Energy Commission (overseas)	5,900,000
Inter-American Highway (Latin America)	4,000,000
Total new foreign aid requests, first 6 months of 1965	7,512,467,000

Estimated unexpended balances July 30, 1965

[In thousands]

Foreign aid programs:	
Economic assistance (AID):	
Budgeted programs	\$3,956,803
Social Progress Trust Fund ¹	321,000
Special revolving funds:	
Advance acquisition of property	2,449
Investment guarantee program	281,263
Military assistance program:	
Appropriated funds	1,922,909
Total	6,484,424
Pay and allowances for U.S. military personnel abroad (military assistance advisory group)	2,000
Export-Import Bank (long-term loans)	1,415,000
Public Law 480 (agricultural commodities—unshipped amounts against titles I, II, and IV of the agreements)	1,107,500
Inter-American Development Bank	² 905,057
International Development Association (IDA)	² 495,664
Peace Corps	77,836
Contributions to International Agencies (state)	1,332

Estimated unexpended balances July 30, 1965—Continued

[In thousands]

Permanent construction overseas (military)	\$29,500
Education exchange activities (state)	47,676
Ryukyu Islands (Army-civil)	4,385
Migration and refugee assistance	4,527
Atomic Energy Commission ("Euratom")	8,037
Inter-American Highway (Commerce)	22,800
Total	10,605,738

¹ Program administered by the Inter-American Development Bank (IDB).

² Includes \$405,880,000 for callable capital stock.

³ As of June 30, 1965, the unexpected balance for the U.S. Treasury accounts will be zero since the last installment of the initial subscription to the Association was paid in November 1964. U.S. subscriptions become merged with resources provided to the Association and disbursements cannot be identified as to source of funds. This amount represents 41.6 percent of the total unexpended balance of the IDA.

Mr. SALTONSTALL. Mr. President, does the Senator from Rhode Island [Mr. PASTORE] wish to speak?

Mr. PASTORE. I thought the Senator from South Dakota [Mr. MUNDT] was to speak.

Mr. SALTONSTALL. I know the Senator from South Dakota wishes to speak, but I thought the Senator from Rhode Island might wish to make a few remarks now.

Mr. PASTORE. Mr. President, I will not take much time. Many Members of the Senate are at the White House to say farewell to the Postmaster General, Mr. Gronousky. If the Senator from South Dakota [Mr. MUNDT] wishes to speak, I shall be glad to hear what he says.

Mr. SALTONSTALL. Mr. President, how much time have I on my side?

The PRESIDING OFFICER. The Senator from Massachusetts has 10 minutes remaining.

Mr. PASTORE. Mr. President, how much time have I remaining on my side?

The PRESIDING OFFICER. Sixteen minutes.

Mr. PASTORE. I will give the Senator from South Dakota 6 minutes from the time on my side.

Mr. SALTONSTALL. Mr. President, I yield 8 minutes to the Senator from South Dakota. I understand the Senator from Rhode Island has yielded 6 minutes to him.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 14 minutes.

Mr. MUNDT. Mr. President, it seems to me that the only thing wrong with these amendments, if there is anything wrong with them, is that they represent too modest a reduction in this year's appropriation bill for AID. I honestly

believe that, instead of asking for a \$50 million reduction it should have been larger. Considering the \$42 million cut suggested and accepted by the chairman of the committee, the additional \$50 million cut agreed to by the committee of the \$100 million which the Senator from Massachusetts [Mr. SALTONSTALL] and three or four of the rest of us recommended at that time, and the additional \$50 million cut now sponsored on the Senate floor by the same group; namely, Senators SALTONSTALL, YOUNG of North Dakota, MUNDT, HRUSKA, ALLOTT, and COTTON as an additional reduction at this time, it will amount to a total saving of \$142 million out of a multibillion dollar appropriation for AID.

I happen to be one of those who have been struggling with the foreign aid economic assistance program from its inception. The first really exciting congressional hearing in which I participated, was held on H.R. 1776, when I was a Member of the House and a member of the Foreign Affairs Committee of that body, headed at that time by Sol Bloom of New York.

At that time we started down the road which has taken us well over \$100 billion, which has provided economic aid or assistance of some kind or other to well over 100 countries of the world. We apparently continue to act as though the U.S. Congress and the administration had lost all of their genius for new ideas, with very much the same kind of formula of operations with which we started with H.R. 1776, and the Marshall plan, and the successor programs.

I have joined in the amendment to reduce the bill by another \$50 million to bring a total reduction of \$142 million because it appears that that might be the best we would be able to work out in this body with a single successful amendment.

We may of course have an opportunity to work on other cuts later. I see on the floor the Senator from Louisiana [Mr. ELLENDER], who in years before led very informative and determined battles to reduce the bill further. I see no other amendments at the desk. I do not know whether the Senator is going to offer similar amendments. So we must wrestle with the problem in the dimensions in which we find it now.

Normally, in years past, a pretty good screening job on these appropriations was done in the House of Representatives Appropriation Subcommittee under Representative OTTO PASSMAN. In years past the House of Representatives has been successful in paring the legislation and reducing the amount. But something appears to have happened in the House subcommittee. Either there has been a change of faces or philosophy. Representative PASSMAN has tried with his customary vigor, but the results on the House side have been disappointing. So our full committee on this side of the Capitol has a new responsibility in this field. We can no longer depend on the House to reduce these amounts. They will be reduced here or nowhere, because

what used to be a good screening process in the House has now become primarily a funnel for transmitting to the Senate almost the full administration request.

I hope Senators will therefore measure up to their responsibilities when they consider this annual appropriation, which apparently has not been as carefully scrutinized and as judiciously reduced by the House as was the case in the past, and that we can bring about at least a total reduction of \$142 million. If we do so, we shall be serving America well.

In the first place, this program of reduction is important from the standpoint of selectivity. We tried hard in the Foreign Relations Committee, the legislative committee which brings the foreign aid authorization bill to the floor, and upon which the Appropriations Committee has to work, to provide some selectivity in administering these funds. In the original bill as it passed the Senate there was a terminal date 2 years in advance. We had provided a recommendation that when a new program was proposed it could not include more than 70 countries, instead of nearly 100.

Our recommendation included the appointment of a high-level commission to take a new look at America's responsibility in this entire area of foreign assistance and that was eliminated again by House action responding to the suggestions of the administration.

So now, unless this body and the Committee on Appropriations begin to tailor this financial load to actual needs, we are going to be found guilty of malfeasance of our responsibility.

The first reason we suggest this cut, as I said, is selectivity. When there are fewer dollars with which to operate, the areas which need it are more carefully selected. It is not scattered around willy-nilly, where there are so many countries and everybody wants a part of it. The applicant has to be told to slow down because we are running out of money for this legislation.

Second, it would provide a greater degree of efficiency in this program. No Senator will stand in the Senate and say that the program has been efficiently operated. There are too many examples of inefficiency, such as concrete roads built to nowhere, highways in areas which lack automobiles, and electrical refrigerators in areas which have no electricity. There are many mistakes.

I suppose our genial chairman would say that we cannot help but make mistakes in a program such as this. I agree. I am not agitating for a complete ending of the program and I am not scalping any public official. I point out that the program will have to operate more efficiently.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. PASTORE. I am personally willing to admit that mistakes have been made, but I made the statement that I do not believe we have ever had a man at the head of this program who had more administrative and conscientious ability than David Bell.

All that the Senator from Rhode Island said was, "Let us not throw out the baby with the bath water."

I hope that because we made some mistakes in this program in the past that we do not take it out on this program and the foreign assistance program.

Mr. MUNDT. I have admiration for David Bell. I recognize that he is trying to do his best. I recognize in the past there have been great manifestations of inefficiency and that they are still cropping up.

We could not expect him to deal with them all, but he could deal with them more directly and effectively if he were given less money with which to work.

The Senator from Rhode Island talked about throwing out the baby with the bath water. I am not even throwing out the bath water.

We could be working on reductions of \$300 million or \$500 million but we are temperate individuals and we have to work in areas of practicality. We simply ask the Senate to make this additional reduction so we can get better results with less money.

We are merely trying to reduce this bill enough to save important dollars for our taxpayers and to incite some additional efficiency in the program.

One of the great weaknesses of the program now is that foreign leaders can see astronomical figures appropriated. They can see what is written in black and white. They figure they can come here, tin cup in hand, and say, "We want our share of the dollars."

But if Mr. Bell were able to say, "The Congress is cutting us back; we did not get all we asked for; we must limit some programs in some areas," they will have to make their request pretty persuasive or will learn that we are not going to be able to provide the money.

There must be stimulated effectiveness, along with efficiency, and along with selectivity, in a program which for too long has operated with guidelines which are too vague, too ambiguous, and too ineffective.

In a way, Uncle Sam has become a sort of quack doctor operating on the global economy and political situation; a sort of economic and political quack doctor who would be ruled out of the apothecary arts in this country, if he provided the same kind of pill for every ailment of every individual in any area; a sort of quack doctor approach with the same prescription, "Dish out the dollars" for all problems abroad. It is the same prescription for every problem of every country, be it a young country suffering from problems of youth and adolescence, or some archaic area suffering from the aches and pains of old age. It is the same pill, the same prescription, the same kind of approach, which worked pretty well a long time ago in Greece and Turkey. They were given the aid and they stood up against communism. But that some formula will not work in every country and in the curing of every problem.

Sometimes it becomes counterproductive; we also can bring disturbance, and distress with our doctor and our dollars.

We are in trouble with Sukarno. We have a great deal of equipment there. We help him with the problems there and then he gives his neighbors fear from his aggressive actions. Then, both the Pakistanians and Indians start shooting at each other with American provided arms and ammunition.

When they ran out of American ammunition and supplies in these two countries they were amenable to reason. It is a good thing we did not give them a couple billion dollars worth of ammunition or they would still be fighting.

This creates problems. It has been the same old procedure too long. The same old prescription will not work too long. That is why our legislative committee said, "Let us take another look at it." Let us terminate this AID program in 2 years and take a new look at our responsibilities.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. I request 5 minutes on the bill.

Mr. SALTONSTALL. How much time is remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 2 minutes remaining on the amendments.

Mr. SALTONSTALL. I yield to the Senator from South Dakota 2 minutes on the amendments and 3 minutes on the bill.

Mr. MUNDT. I believe it is important that we give consideration to a revamping of this program. We cannot abandon our international responsibility. Nobody is advocating that. A reduction of another \$50 million would bring dividends in terms of its psychological impact, far beyond the money it would save in terms of actual dollars, because it would indicate a desire to revamp and reorganize a program that has gone into over a hundred billion dollars. They are still busy spending money they do not have. It is time to prepare new plans, new approaches, and ideas.

They have neither the time nor the inclination to properly train the people in charge of the program overseas. They object to some kind of American institutional training, so that we could send professionals over there, to compete with the highly trained professional Communists on the other side.

We send starry-eyed idealists. We send high-minded amateurs. We send people whose minds have not been tutored and trained, who have pockets full of gold out into the world trying to win the war for freedom in the cold war.

Perhaps if we sent people with fewer dollars to spend, they might be better trained and better organized.

A great many things could be done to improve the program.

I am one of the coauthors of Public Law 480, the food-for-peace program, passed under the chairmanship of our good friend from Louisiana [Mr. ELLENDER] during the Eisenhower administration. It was a good piece of legislation when it was passed. It was given

a great deal of assistance to people abroad. It has served America and the free world well. But it could and should do better.

That program needs some new concepts. We must not operate it as though it were a part of a free pancake day at the county fair, and call out to the world, "Come and get it."

Our surplus food should be judiciously utilized in areas where it will do the most good. It should be used to influence human behavior, politically, as well as helping the physical well-being of people, people who are interested in being not only strengthened and well fed, but also want to be politically free.

We do not serve too well the cause of freedom by strengthening the bodies of individuals only to have them become slaves in the Communist army.

There, too, we need some guidance, some new thinking.

There is too much of a tendency, because we have surplus food, to dispense it without careful planning and without determining in advance the results we desire to obtain.

I should like to see additional and larger amounts of our surplus foods and fibers used to help to make the world a better place in which to live. All these reforms hinge upon the determination of whether this body and Congress as a whole desire to analyze, study, and reduce extravagant spending to the point that we will compel, along with belt-tightening, a little studious research, re-planning, and revamping of the approach. We cannot abandon our responsibilities, but we shall have to improve our operation so that we may start winning victories in the cold war.

This additional \$50 million of savings, if the Senate will approve it, may well help to push those in power in the direction of doing a better job of American leadership in the highly complicated business of waging a cold war.

Mr. SALTONSTALL. Mr. President, I yield myself 1 minute.

The amendment does not take 1 cent away from the Alliance for Progress. The amendment does not take 1 cent off the \$1.17 billion provided for military assistance. I believe and am confident that we shall have to ask for many hundreds of millions of dollars more to provide military assistance and for direct military expenditures to fulfill our obligations in South Vietnam.

My amendment takes 1.5 percent from the economic programs. It is cut down by cutting \$20 million from technical cooperation, \$10 million from international organizations, and \$20 million from support assistance, or approximately 2 percent out of a \$3 billion bill.

I hope the amendment, which was almost adopted in committee, will be agreed to by the Senate.

Mr. PASTORE. Mr. President, I shall make a short observation. It is my understanding that I have 10 minutes remaining. I shall speak briefly and then yield back the remainder of my time.

I wish to impress upon the Senate that the committee carefully scrutinized every item contained in the bill. The Senate, beginning on June 7 and ending

on June 14, took a number of votes, and after prolonged debate passed a bill providing \$50 million more than is provided in the bill before the Senate today.

The argument of the Senator from Rhode Island is that the bill has been cut as far as we think it may well be cut and preserve the security of this Nation. That is our fundamental and sincere conviction.

The argument that the additional \$50 million is only a bare percentage of the total amount is fallacious. If that logic is used, why not cut the amount by \$500 million? Why not by \$1 billion? Why not remove the entire amount?

The question is, Is this program essential to our posture in the world today? If it is realistic, how far should we go in appropriating money? The idea that to cut off a man's arm makes the other arm stronger does not appeal to the Senator from Rhode Island. The suggestion that if the guts are cut out of a bill, the administration of the program will be improved, does not appeal to me. To my way of thinking, that is not logical.

This bill is \$50 million less than the amount that we authorized in the Senate only a few months ago. The bill was cut by the House under the amount that was agreed upon in conference and the Senate committee has reduced the House bill further by \$92 million.

The argument that because OTTO PASSMAN's views do not prevail in the House subcommittee, the bill now before us is ruinous, does not appeal to me. To begin with, Mr. PASSMAN does not believe in foreign aid. I say that if Senators do not believe in foreign aid, they should vote against the bill.

The committee labored and labored. We have cut where we thought we could cut judiciously. We have reduced the amount below the figure that came to us from the House. It is \$50 million less than the bill that was passed only a short while ago after prolonged debate.

I say that a further cut of \$50 million is absolutely unnecessary. I hope the Senate will defeat the amendments.

Mr. HOLLAND. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield.

Mr. HOLLAND. I agree completely with the position of the Senator from Rhode Island. Congress only recently passed the authorization bill. That bill represented the consolidated opinion of the two Houses of Congress. We have now moved to a position in appropriations that is well under the amount of the authorization.

We know that the world is in a confused condition. We have seen only recently the benefits of this program in various parts of the world, where at least we appear to have strong influence in preserving the peace. Some of that influence, I believe, is chargeable to our long continued effort in the field of judiciously providing foreign assistance.

Of course, mistakes have been made, but I do not see how a better job could possibly have been done than has been done after the months of effort in committee. To rewrite the bill on the floor of the Senate would be a mistake. I therefore strongly back the position of the Senator from Rhode Island.

Mr. PASTORE. I thank the distinguished Senator from Florida. I shall end with this observation: The problem of Kashmir is 17 years old. The underlying cause of the problem in Kashmir is older than the life of this Republic. It is steeped in religious hatred and may well never be solved. Who knows? But it was because we were kind and benevolent to Pakistan and provided her with substantial aid, beginning in 1946, and because we were good and benevolent to the people of India, that the lines of communication were kept open; and now, today, there is a cease-fire agreement. How different it could have been. Who knows what might have happened?

We talk about Vietnam as our responsibility. I am told that it will cost the United States \$11 billion to carry on the war in Vietnam next year, unless it is resolved soon.

Who knows whether the settlement of the India-Pakistan dispute may not be the spark to ignite a beacon light for the United Nations to bring about a negotiated peace in Vietnam?

Yes, you may say that we shovel out our aid by the bushelful when we vote as we shall on this bill. But the world is in ferment. Its crises have deep roots. They are older than we are as a republic. The idea that this program is a failure because there are still sensitive spots in the world does not appeal to the Senator from Rhode Island.

I repeat: Do not cry over the premiums paid to buy fire insurance even if the house does not burn down. The United States is still intact. Ours is still the most affluent society in the world. If to preserve the security of a gross national product of \$665 billion means to spend in foreign aid and military assistance some \$3 billion, what better insurance can we buy to keep our society free and affluent?

I yield back the remainder of my time.

Mr. SALTONSTALL. Mr. President, no one is more desirous of seeing a peaceful settlement to the Kashmir conflict than is the senior Senator from Massachusetts.

The \$50 million for economic loans—not grants—will not interfere in any way, in my judgment, with our ability to solve the serious problem to which the Senator has referred.

Mr. President, I yield back the remainder of my time.

Mr. PASTORE. Mr. President, I yield back the remainder of my time.

The VICE PRESIDENT. All time having been yielded back, the question is on agreeing to the amendments offered by the senior Senator from Massachusetts [Mr. SALTONSTALL] on behalf of himself and other Senators. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Maryland [Mr. BREWSTER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Florida [Mr. SMATHERS], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Connecticut [Mr. DODD], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Minnesota [Mr. MONDALE], the Senator from Maine [Mr. MUSKIE], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Mr. BREWSTER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Florida [Mr. SMATHERS], and the Senator from Connecticut [Mr. DODD] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Nebraska [Mr. CURTIS], the Senator from Kansas [Mr. PEARSON], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Nebraska [Mr. CURTIS], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The result was announced—yeas 45, nays 35, as follows:

[No. 267 Leg.]

YEAS—45

Aiken	Ervin	Mundt
Allott	Fannin	Murphy
Bible	Fong	Neuberger
Boggs	Gruening	Prouty
Burdick	Harris	Randolph
Byrd, Va.	Hickenlooper	Robertson
Byrd, W. Va.	Hruska	Russell, S.C.
Cannon	Jordan, N.C.	Russell, Ga.
Carlson	Jordan, Idaho	Saltonstall
Cooper	Kuchel	Smith
Cotton	Lausche	Symington
Dirksen	McClellan	Talmadge
Dominick	Miller	Thurmond
Eastland	Morse	Williams, Del.
Ellender	Morton	Young, N. Dak.

NAYS—35

Bartlett	Inouye	Montoya
Bass	Jackson	Moss
Bayh	Javits	Nelson
Case	Long, Mo.	Pastore
Church	Long, La.	Pell
Clark	Magnuson	Proxmire
Douglas	Mansfield	Ribicoff
Hart	McGee	Tydings
Hartke	McGovern	Williams, N.J.
Hayden	McNamara	Yarborough
Hill	Metcalf	Young, Ohio
Holland	Monroney	

NOT VOTING—20

Anderson	Kennedy, Mass.	Scott
Bennett	Kennedy, N.Y.	Simpson
Brewster	McCarthy	Smathers
Curtis	McIntyre	Sparkman
Dodd	Mondale	Stennis
Fulbright	Muskie	Tower
Gore	Pearson	

So the amendments offered by Mr. SALTONSTALL and other Senators were agreed to.

Mr. SALTONSTALL. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. AIKEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD subsequently said:

Mr. President, on the earlier vote on the amendments offered by the senior Senator from Massachusetts [Mr. SALTONSTALL], I regret to state that I was in the cloakroom when the vote was taken, did not hear the bell, and was not notified. Had I been present, I should have voted "nay."

APPOINTMENT BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair, pursuant to Public Law 84-689, appoints Senator FRANK E. Moss, of Utah, to be an alternate delegate to the 11th NATO Parliamentary Conference, to be held in New York City between October 4-9, 1965.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 2127) to amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 8283) to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 30. An act to provide for participation of the United States in the Inter-American Cultural and Trade Center in Dade County, Fla., and for other purposes; and

H.R. 9247. An act to provide for participation of the United States in the HemisFair 1968 exposition to be held at San Antonio, Tex., in 1968, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles and referred or placed on the calendar, as follows:

H.R. 30. An act to provide for participation of the United States in the Inter-American Cultural and Trade Center in Dade County, Fla., and for other purposes; to the Committee on Foreign Relations.

H.R. 9247. An act to provide for participation of the United States in the HemisFair 1968 exposition to be held at San Antonio, Tex., in 1968, and for other purposes; placed on the calendar.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1966

The Senate resumed the consideration of the bill (H.R. 10871) making appropriations for foreign assistance and re-

lated agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. MORSE. Mr. President, I send to the desk an amendment and ask that it be read.

The VICE PRESIDENT. The amendment will be stated.

The legislative clerk read as follows:

On page 4, line 25, strike out "\$1,170,000,-000" and insert in lieu thereof: "\$1,145,000,000: *Provided*, That not to exceed \$52,264,000 of this appropriation shall be available for military assistance to Latin American countries".

The VICE PRESIDENT. How much time does the Senator yield?

Mr. MORSE. I yield myself such time as I may need.

Mr. President, in considering this appropriation bill, I would have the Senate keep in mind two factors that bear directly upon the amount of money involved:

First. That with the carryovers available from previous years, the funds the bill makes available for purposes of foreign aid are not the \$3.2 billion of new obligatory authority, but \$3.5 billion; and

Second. That with all the various foreign aid functions that have been funded separately, the total being requested for the forthcoming fiscal year is not the \$3.5 billion in the foreign aid request, but a grand total of \$7.5 billion.

In particular, I would call attention to the fact that for many years, the entire aid program specifically for Latin America was included in the foreign aid bill. Now, we have provided separate funds for the Inter-American Development Bank, thus removing a very large segment of Latin American aid from the traditional foreign aid bill.

So there is no genuine comfort in the thought that this bill carries only \$3.2 billion. That is only one drop in the bucket of foreign aid Congress is furnishing.

There is no better analysis of the failures and shortcomings of the current aid program that I could present that would improve on the one submitted in the House of Representatives in the minority views of the House Appropriations Committee. It states, and summarizes, the basic objections to the program which should have been corrected by Congress many years ago. I quote:

Our examination of foreign aid spending requests for fiscal 1966 reveals that responsible cuts can be made without endangering U.S. foreign policy or its commitments to other nations. The American people are entitled to know, and this report outlines in considerable detail the following:

1. The magnitude of foreign aid spending is not fully known by the average taxpayer. Total requests for foreign assistance purposes have been submitted to Congress this year amounting to over \$7½ billion.

2. The unexpended balance (pipeline) as of June 30, 1965, is estimated to be over \$10.6 billion.

3. Our commercial trade balance with aid-recipient countries has dropped sharply since 1960. The Latin America commercial trade balance is particularly alarming.

Mr. President, on the Senate's time, I pause for order in the Senate.

The PRESIDING OFFICER (Mr. MONTROYA in the chair). The Senate will be in order.

Mr. MORSE [continuing the quotation]:

4. There is a definite relationship between the gold outflow and the Federal Government's programs of spending in foreign countries.

5. We are frequently told not to worry about the dollars spent for foreign aid because most of them are spent in this country. Close examination reveals we are talking about only total commodity purchases. For example, in fiscal year 1963, \$855 million was spent on commodities out of a total of foreign grants and loans of \$5.17 billion.

6. There is too much flexibility given AID in the use of appropriated funds with a lack of congressional control over foreign aid projects.

7. We are squandering too much of our national resources in what is vaguely called the "national interest" without a close examination by the Congress and the people of this country.

8. There is strong evidence of a lack of concern for congressional intent specifically expressed in some instances in the hearings and sometimes in the foreign aid law itself.

Greater emphasis must be placed upon (1) energizing and encouraging private development resources of our own and in the developing countries; (2) initiating projects of a grassroots nature such as feeding the hungry and education programs in which there are assurances of reaching the mass of people.

The minority views are devoted to an examination of those points. They are points that have never been answered nor corrected by the majority which continues to pass the same defective aid program year after year. They are the reasons why public confidence in foreign aid is almost nonexistent.

I ask unanimous consent that the minority views, and the additional views of Mr. CONTE and Mr. ROBISON, from the House Appropriations Committee, be printed in full at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. The amazing thing about the debate and action on foreign aid year after year is the oblivion of the majority which supports this program to the concrete instances where it has failed utterly to do what is claimed for it in the congressional debates. What more can be said about the value of foreign aid to the United States after the debacle between two recipients of huge amounts of aid, India and Pakistan? Only Korea and Taiwan of the underdeveloped world have received more aid from us than have these two countries. They have received all this economic and military aid on the basis of their serving as a bulwark against Communist China.

Instead, they used the hundreds of millions of dollars worth of military equipment we had given them against each other. By so doing, they not only weakened themselves, and thus undermined the value of our even more extensive economic aid, but they have gravely weakened the peace and stability of all of non-Communist Asia. The net result of our shortsighted aid policy to these two countries has been a considerable

gain for Communist China. Communist China is the winner of the India-Pakistan war, and she is the chief beneficiary, to date, of our policy of indiscriminate military aid to two hostile neighbors.

That is why I have said that our current aid program is making hay for the Communists, not for the United States.

Yet the Congress refuses to face these facts. The Congress refuses to admit that much of the basis for aid simply is not supported by what is really going on in the world. We prefer to live in the dream world conjured up for us by the aid agency, the Pentagon, and the Department of State.

Take the theory that military aid and supporting assistance are a substitute for U.S. soldiers. Nowhere have we sent more military aid and supporting assistance, relative to population, than to South Vietnam. It has not replaced American soldiers. American soldiers have had to go over to Vietnam to try to retrieve the damage done by years of indiscriminate U.S. aid that did little more than line the pockets of a few corruptionists in the South Vietnam Government. In the case of military aid, we have sent our soldiers over there to fight against the very same weapons we have been sending to the South Vietnam Government for 10 years.

The same situation is going to prevail in Thailand. Thailand is never going to save itself with American military aid and budget support. If our present policy persists, and events continue unaltered on their present course, American soldiers are going to have to be sent to Thailand, too, to undo the mistakes of our misguided aid policy in that country, for in Thailand, too, we are sponsoring corruptionists and furnishing them with the goods and cash that is making them the ideal target for unrest and resentment among the people.

And never will the fantasies of the military aid advocates be disproved more completely than they have been disproved in the Dominican Republic. In the year and a quarter that we sent aid to the junta headed by Donald Reid Cabral, it totaled \$61 million, for one of the largest per capita aid programs anywhere in the world. A great deal of it was military aid. Did it stabilize the country? Did it contribute to internal security? Did it relieve American soldiers of the task of policing the hemisphere, as we police the entire world?

Not at all. The heavy military program we sponsored in the Dominican Republic helped fan the flames of resentment against the junta. When the opportunity presented itself, large numbers of the guns and even the tanks we had furnished the Dominican armed forces were turned over to the rebels. Our weapons were turned on the people they were supposed to keep in power. And once again, more than 20,000 American troops had to be sent to the country in order to retrieve what we believed were American security interests. When they got there, they faced the very guns and weapons that Congress and the ad-

ministration, in their ignorance, had furnished so freely to a government that should never have had them.

It is a conservative estimate that more than half of what we are currently furnishing to Latin American military establishments is in the same class with that we furnished to the Dominican Republic. In many cases, it is helping to create a military establishment that becomes only a target for all those among the masses of the people who seek far-reaching changes in their economic conditions. Only luck, not wisdom, will save the United States from facing our own guns in Latin America many times over, in country after country.

That is why I have an amendment putting a ceiling of \$52,264,000 on the total of military aid to the hemisphere. This ceiling applies to all military programs, both grant equipment and training.

As chairman of the Subcommittee on American Republics Affairs, I wish to provide adequate military aid to Latin American countries, in order to keep down Communist coups. But they do not need the kind or extent of military aid we are sending to Latin America to keep down Communist coups. They do not need tanks, heavy materiel, or heavy equipment. They do not need submarines, or jet fighters, or hardware in large amounts to keep down Communist coups. What that kind of military aid does is build up military oligarchies and a military class throughout Latin America. That military class, in country after country, is keeping down freedom and playing directly into the hands of the Communists. The military aid we send should be military aid which is usable by free governments, in order to help preserve the freedom of their governments against potential Communist coups. Some of the governments of this hemisphere should have little or no military aid from us at all.

Mr. President, my amendment provides for a reduction of \$25 million in what is programed for hemisphere grants and training, as outlined in the reports of the House and Senate Appropriations Committee.

I could cite no better endorsement, justification, and explanation of my amendment than the paragraphs submitted to the House by Representatives CONTE and ROBISON, when they said:

In a new or reinforced program of selectivity in our assistance efforts, we recommend that one area of emphasis be Latin America. The potential and the need for development there have been long overlooked and short-changed. There are pressing needs for agrarian and tax reform in Latin America.

And I would say parenthetically that our military aid is doing much to thwart the agrarian and tax reform without which turmoil in Latin America is going to get much worse—

We are just beginning to see the results of the progress that has been made possible under the Alliance for Progress. Latin America is truly on the march and we must insure that momentum is maintained. We can do so by more selective and intensified economic assistance efforts.

NEED FOR A NEW APPROACH TO MILITARY ASSISTANCE FOR LATIN AMERICA

We do not support the continued high level of military assistance to Latin America. The appropriation request for this funding category has systematically increased with each passing year despite a materiel limitation of \$55 million. We are not convinced that, in every instance, these funds are applied only toward the intended goal—the maintenance of the internal security of the individual Latin American countries.

These funds could well be an enabling factor in any Latin American country's build-up of military capabilities for external aggression and in many of the coups that have taken place in Latin America.

We recommend that early and serious consideration be given to a regional military defense organization for Latin America similar to NATO. The value of such a regional organization would be manifold. It would enable us to eliminate or curtail the grants of military assistance to individual Latin American countries. It would provide on identification of interest and purpose, common to all of the Latin American countries, for the defense of Latin America.

It is essential that these nations realize that the Communist threat affects all Latin American nations, not just a few. While these countries are, of course, independent entities, the successful resistance of any one country to this threat may well be dependent upon the combined efforts of all, singularly and forcefully brought to bear on the common foe.

We have had the lesson of India and Pakistan, the lesson of Greece and Turkey, and the lesson of the Dominican Republic. Yet like the Bourbons, the American overseas aid programs forget nothing, and learn nothing. Congress and the administration have learned nothing from the experience with aid of the last 2 years. But I think the American people are learning a lot. It may be that the only history we will ever learn from will be the lesson taught at the ballot box.

Mr. President, I offer my amendment because I am satisfied that it is a sound amendment. I offer it because I believe it will greatly strengthen the progress of economic aid in Latin America. The great need for strengthening economic programs in Latin America is to reduce the military aid program. I have stated many times in committee, and on the floor of the Senate, that I would be willing, for every dollar we take away from military aid, to give \$2 for economic aid that would help raise the standard of living of the people in Latin America.

Now, my amendment offers the Senate the opportunity to reduce by \$25 million the military aid to Latin America. I am satisfied that by so doing we would strengthen the ability of Latin America to protect itself internally, country by country, because we would put the cash where it belongs, into the kind of military aid necessary to meet threats of Communist coups.

EXHIBIT 1 MINORITY VIEWS

For many years some very basic reasons have been presented to the Congress setting forth the need for redirecting our whole foreign aid program. American taxpayers in growing numbers have expressed dissatisfaction with many aspects of the foreign aid

program. It is to be hoped that a reshaping of this program soon will be implemented.

The Congress and the American people have the right to know the magnitude of U.S. programs of foreign assistance. It might be said that foreign aid comes in "assorted sizes and shapes." This appropriations bill calls for over \$3 billion in expenditures. But foreign aid is scattered throughout 10 bills presented to the Congress. Total requests of approximately \$7.5 billion for foreign assistance purposes have been submitted.

We believe that further substantial reductions can and should be made in the present programming of the 1966 foreign assistance appropriations bill. We certainly do not advocate the denial of any necessary military or economic assistance to the South Vietnamese which would help hasten a Communist defeat and speed the return of U.S. servicemen from that theater of war.

However, in view of the war in Vietnam and the growing American commitment there, it is incumbent upon the administration and the Congress to review every program, both foreign and domestic, and either postpone or eliminate unnecessary spending.

Our examination of foreign aid spending requests for fiscal 1966 reveals that responsible cuts can be made without endangering U.S. foreign policy or its commitments to other nations. The American people are entitled to know, and this report outlines in considerable detail the following:

1. The magnitude of foreign aid spending is not fully known by the average taxpayer. Total requests for foreign assistance purposes have been submitted to Congress this year amounting to over \$7½ billion.

2. The unexpended balance (pipeline) as of June 30, 1965, is estimated to be over \$10.6 billion.

3. Our commercial trade balance with aid-recipient countries has dropped sharply since 1960. The Latin America commercial trade balance is particularly alarming.

4. There is a definite relationship between the gold outflow and the Federal Government's programs of spending in foreign countries.

5. We are frequently told not to worry about the dollars spent for foreign aid because most of them are spent in this country. Close examination reveals we are talking about only total commodity purchases. For example, in fiscal year 1963, \$855 million was spent on commodities out of a total of foreign grants and loans of \$5.17 billion.

6. There is too much flexibility given AID in the use of appropriated funds with a lack of congressional control over foreign aid projects.

7. We are squandering too much of our national resources in what is vaguely called the "national interest" without a close examination by the Congress and the people of this country.

8. There is strong evidence of a lack of concern for congressional intent specifically expressed in some instances in the hearings and sometimes in the foreign aid law itself.

Greater emphasis must be placed upon (1) energizing and encouraging private development resources of our own and in the developing countries; (2) initiating projects of a grassroots nature such as feeding the hungry and education programs in which there are assurances of reaching the mass of people.

MAGNITUDE OF FOREIGN AID PROGRAM

There is an apparent lack of knowledge on the part of the average taxpayer on the magnitude of our total foreign spending. During the subcommittee meetings the Honorable OTTO PASSMAN, chairman of the Subcommittee on Foreign Operations, presented charts and other information which are based on the hearings held this year by the subcommittee. This information should be made known to the Congress and the people

of the country who have the right and are entitled to know the facts as presented by the informational charts and tables which follow.

The dollar figure most widely quoted for the cost of the foreign assistance program is \$3.4 billion. However, the President is requesting during this session of the Congress approximately \$7.5 billion for foreign assistance purposes. The table below indicates the various foreign assistance programs contained in the President's amended January budget:

New foreign aid funds requested in 1965

1. Foreign assistance requests, as amended (mutual security)-----	\$3,459,470,000
2. Receipts and recoveries from previous credits-----	209,770,000
3. Military Assistance Advisory Group-----	76,000,000
4. Export-Import Bank (long-term credits)-----	900,000,000
5. Public Law 480 (agricultural commodities)-----	1,658,000,000
6. Inter-American Development Bank (Latin America)-----	705,880,000
7. International Development Association (IDA)-----	104,000,000
8. Peace Corps-----	115,000,000
9. Contributions to international organizations-----	96,953,000
10. Permanent construction overseas (military)-----	85,986,000
11. Education (foreign and other students)-----	69,200,000
12. Ryukyu Islands-----	14,733,000
13. Migrants and refugees-----	7,575,000
14. Atomic Energy Commission (overseas)-----	5,900,000
15. Inter-American Highway (Latin America)-----	4,000,000

Total new foreign aid requests, first 6 months of 1965- 7,512,467,000

The unexpended balance as of June 30, 1965, for the above-named programs or activities is estimated to be \$10,605,738,000. This is commonly referred to as the foreign aid "pipeline."

Complaints about the bottomless pipeline of unspent money and unobligated authority nearly always fall on deaf ears. However, this report should at least mention the Congress has approved virtually all of the \$7.5 billion requested for the foreign aid program as indicated in the foregoing table and thus approximately \$7 billion should be added to the \$10.6 billion in the pipeline.

We want to emphasize that this appropriation bill does not contain the funds for Public Law 480 (agricultural commodities), \$1.7 billion; military assistance advisory group, \$76 million; contributions to international organizations, \$97 million; permanent construction overseas (military), \$86 million; education, \$69.2 million; Atomic Energy Commission (overseas); \$5.9 million; or Inter-American Highway, \$4 million.

At one point in the hearings the contention was made and not challenged that 53 international groups or subgroups are engaged in some form of activity which contributes to our total foreign aid effort.

We are helping 98 countries and 4 territories in fiscal year 1966. We think the American people ought to insist on a continuing objective analysis of the so-called "barebones" foreign assistance program.

U.S. COMMERCIAL TRADE BALANCE WITH AID-RECIPIENT COUNTRIES

Annually the committee has been told that the aid program helps develop markets for our exports. This year Secretary Rusk testified:

"There are substantial future markets in the developing nations. As development

picks up momentum, the peoples of these nations will be able to buy more from us and from other countries. The less developed countries are determined to grow—to buy more and to sell more. The United States can reasonably expect to get its fair share of these expanding markets. In addition, as these economies grow, there will be an increase in returns on growing American private investment in the less developed areas. Thus, foreign aid is a minor adverse factor in the current balance-of-payments problems; it is a strong positive factor over the long run."

It is important that the commercial trade balance be considered. Like a checking account, the balance in black is the most important factor. It is encouraging to make large deposits but if we make larger withdrawals, the balance goes into the red and we are in trouble.

The subcommittee chairman converted data obtained during the hearings into a worldwide graph and four regional graphs which portray our commercial trade balance which is the net of U.S. exports (excluding economic assistance-financed exports) and U.S. imports.

Inasmuch as we have been extending aid for many years—some of the countries included in the graph have been in the program since the Marshall plan era—it would appear, if foreign aid opens the way for U.S. trade, that our commercial trade balance should be on a rising trend. Instead, our commercial trade balance is on a very significant downward glide, as evidenced in the worldwide graph.

It is clearly obvious from the first graph that our commercial trade balance with aid-recipient countries has dropped sharply since 1960 and, of the four regional graphs, the only area that seems to indicate a rising trend is the Far East (excluding Japan) where the commercial trade balance has increased from -\$209 million in 1959 to +\$7 million in 1963. The Latin America commercial trade balance is alarming as our imports from Latin America exceeded our exports by \$159 million when we started the

Alliance for Progress program in 1960. In 1963 our imports from Latin America exceeded our exports by \$670 million.

PURCHASE OF U.S. GOLD BY FOREIGN COUNTRIES RECEIVING U.S. AID

We are concerned about the outflow of gold. It will be argued by some that it has no bearing, but we feel there has been a definite relationship between the gold outflow and the Federal Government's programs of spending in foreign countries—in other programs as well as the part of the foreign aid program which is now under consideration.

We are frequently told not to worry about the dollars spent for foreign aid—that most of them are spent in this country. Former Treasury Secretary Dillon said at a White House conference on February 18, 1965, "Today a full 85 percent of our foreign aid commitments go for American goods and services."

During our hearings we received testimony that the 85 percent applies only to total commodity purchases—in fiscal year 1963, \$855 million was spent on commodities out of a total of foreign grants and loans of \$5.17 billion. The rest was spent for overseas products, for foreign labor and for the almost 3,500 personnel who were stationed overseas to administer aid. In 1963, 78 percent of the aid which was spent for commodities was spent in the United States, but for the total program of grants and loans only 16.5 percent was spent in this country. In 1964 the percentage of commodity purchases made in this country was 87 percent—but this was only 18.5 percent of the total, or less than \$1 billion. The profit on \$1 billion in sales is probably between \$100 and \$150 million (10 to 15 percent)—a high cost to all the taxpayers in addition to the harm to the balance of payments for the \$100 million profit.

The following table is an updating of the one included in the committee report last year and reflects the gold purchases of 57 countries who have received military and/or economic assistance during the 7-year period, 1958-64:

Net sales of U.S. gold to foreign aid program recipients

[In millions of dollars—Negative figures represent net sales by the United States; positive figures represent net purchases]

Country	1958	1959	1960	1961	1962	1963	1964	Total
Algeria						-15.0		-15.0
Argentina						-30.0		-17.8
Austria	+67.2		-50.0	-90.0	+85.0	-32.1	-55.4	-398.0
Belgium	-84.2	-82.7	-1.1		-142.5	-63.0	-40.1	-756.3
Burma	-329.4	-38.5	-140.9	-144.4	-20.9			-24.7
Cambodia			-12.0	-3.1	-1.7	+3.2		-13.6
Cameroon Republic						-1.9		-1.9
Central African Republic						-7		-7
Ceylon		-7.5						-7.5
Chad						-7		-7
Chile	+3.0	-1.3	-2.0	-6.6			-2.3	-9.2
Congo (Leopoldville)						-3.1	+1.6	-1.5
Costa Rica				-2.3	-5			-2.8
Cyprus				-2.0				-2.0
Dahomey						-8		-8
Denmark	-17.0	-15.0	-15.0	-35.0	+15.0			-67.0
Dominican Republic				-3.0			-2.6	-5.6
Ecuador					-3.2	-2.3		-5.5
Egypt			-7.5	-7.8	-1.2	-2.2	-10.8	-29.5
Country A		-4.7	-3.0				-5.0	-12.7
France		-265.7	-173.0		-459.1	-517.7	-405.1	-1,820.6
Gabon						-7		-7
Germany (West)			-33.8	-22.5			-225.0	-281.3
Ghana			-5.6					-5.6
Greece		-15.0	-47.0	-10.2	-19.1			-91.3
Guinea						-2.8		-2.8
Honduras			-8					-8
Indonesia		-11.0	-24.9					-35.9
Iran	-2.3		-4	-16.1		-5.9		-24.7
Iraq			-29.8					-29.8
Israel		-4.4			-10.0	-7.0	-2.0	-23.4
Italy	-348.8			+100.0			+200.0	-48.8
Ivory Coast					-1.5			-1.5
Japan	-30.1	-157.4	-15.2					-202.7
Korea		-1.6						-1.6
Laos				-1.9				-1.9
Lebanon				-21.0	-32.1		-10.5	-63.6
Mauritania						-8		-8
Mexico		-30.0	-20.0			-4.0		-54.0
Morocco			-21.0					-21.0
Netherlands	-260.9	-29.9	-249.4	-24.9			-60.0	-625.1
Niger						-8		-8

Net sales of U.S. gold to foreign aid program recipients—Continued

[In millions of dollars—Negative figures represent net sales by the United States; positive figures represent net purchases]

Country	1958	1959	1960	1961	1962	1963	1964	Total
Nigeria				-20.0				-20.0
Pakistan			-12.5					-12.5
Peru			-15.0	-5.0	-6	-10.6		-31.2
Portugal	-20.0	-10.0						-30.0
Salvador							-2.2	-2.2
Saudi Arabia			-11.3	-47.5	-12.6			-71.4
Senegal						-1.7		-1.7
Somalia					-1.9			-1.9
Spain	+31.7		-113.7	-156.2	-146.1	-130.0	-32.0	-546.3
Syria			-2.1		-1.3	-4	-3.1	-6.9
Tunisia			-5		-5	-5		-1.5
Turkey			-6.1	-2.5	-1.1	+2.0	+1.3	-6.4
United Kingdom	-900.0	-350.0	-550.0	-305.7	-387.0	+329.3	+617.7	-1,545.7
Upper Volta						-8		-8
Yugoslavia		-1.5	-15.9		-1.5	-1.9	-2.5	-23.3
Net sales of gold	-1,890.8	-1,026.2	-1,583.3	-827.7	-1,207.4	-439.9	-38.0	-7,013.3

In addition to the purchase of \$7,013,300,000 of U.S. gold stocks, 14 of the above-listed countries purchased an additional \$769,100,000 of our gold during the first quarter of calendar year 1965.

Data furnished to the committee by the Treasury Department covering most of the 57 countries listed in the preceding table indicates that these countries also increased their short-term dollar holdings, official and private, from \$9.73 billion on December 31, 1957, to \$14.541 billion on December 31, 1964.

During the 7-year period the 57 countries listed in the foregoing tabulation received \$14,434,900,000 in military and/or economic assistance from the United States. (In addition there were hidden benefits, such as favorable tariffs on beef imports, coffee agreements, and world sugar quotas.) This leads us to conclude that our financial assistance to those countries enabled them to accumulate over \$4.811 billion in short-term dollar credits and to purchase over \$7 billion of our gold.

MORE MONEY AVAILABLE FOR ECONOMIC PROGRAM IN 1966

The committee recommendation of \$2.115 billion for economic aid for 1966 compared with the 1966 budget estimate indicates a cut of \$174,470,000.

That is only part of the story. A comparison of the amount available for the program, including carryover of unobligated balances, etc., reveals that there will be \$45,842,000 more available for 1966 than 1965.

There are three large increases in 1966 over 1965: International organizations and programs category is up \$10.4 million; Alliance for Progress development loans show an increase of \$16.5 million and the development lending program, exclusive of the Latin American area, will have \$14 million more.

The following table indicates the detail:

Economic assistance

[In thousands of dollars]

	Total available, 1965	Total available, 1966	Comparison—Total available
Technical cooperation and development grants	230,510	234,000	+3,490
American schools and hospitals abroad	17,596	7,000	-10,596
Surveys of investment opportunities	2,186	1,976	-210
International organizations and programs	134,392	144,755	+10,363
Supporting assistance	442,468	384,012	-58,456
Contingency fund:			
General	60,364	52,858	-7,506
Southeast Asia		89,000	+89,000
Alliance for Progress:			
Technical cooperation and development grants	95,164	84,562	-10,602
Development loans	471,314	487,811	+16,497
Development loans	812,556	826,517	+13,961
Administrative expenses, AID	57,189	57,031	-158
Administrative expenses, State	3,041	3,100	+59
Total, economic assistance	2,326,780	2,372,622	+45,842

NO-YEAR FUNDS

Of the amount requested for fiscal year 1966 for economic aid, 58 percent are "no-year appropriations." In other words, of the administration's request, \$1.3 billion will not expire on June 30, 1966, if not obligated. In fact, the \$1.3 billion will never expire. At the request of Mr. GARNER E. SHRIVER, the following information was presented by AID:

Foreign Assistance Act program, military and economic—Summary of personnel

	Economic					Military		
	Mar. 31, 1964	Mar. 31, 1965	June 30, 1965	Comparison		Mar. 31, 1964	Mar. 31, 1965, and June 30, 1965	Comparison
				Mar. 31, 1964, and Mar. 31, 1965	Mar. 31, 1964, and June 30, 1965			
U.S. nationals:								
Direct hire	6,780	6,634	6,719	-146	-61	10,172	11,153	+981
Other than direct hire	3,611	3,966	5,208	+355	+1,597	134	100	-34
Total, U.S. nationals	10,391	10,600	11,927	+209	+1,536	10,306	11,253	+947
Foreign nationals:								
Direct hire	9,626	8,688	8,881	-938	-745	1,991	1,454	-537
Other than direct hire	859	847	847	-12	-12	5,031	4,053	-978
Total, foreign nationals	10,485	9,535	9,728	-950	-757	7,022	5,507	-1,515
Foreign national trainees	11,893	11,484	11,484	-409	-409	21,319	16,968	-4,351
Total:								
Direct hire	16,406	15,322	15,600	-1,084	-806	12,163	12,607	+444
Other than direct hire	4,470	4,813	6,055	+343	+1,585	4,153	4,153	-1,012
Foreign national trainees	11,893	11,484	11,484	-409	-409	21,319	16,968	-4,351
Total	32,769	31,619	33,139	-1,150	+370	38,647	33,728	-4,919

Amount of fiscal year 1966 request for economic assistance (AID) appropriations to be provided on a no-year basis

[In thousands]

	Requested appropriations	Percent of total economic appropriations requested
Development loans	\$780,250	35.5
Alliance for Progress loans	495,125	22.5
Total	1,275,375	58.0

EMPLOYMENT

There are three types of employees in the economic aid program:

1. Direct hire employees—the regular Federal employees, including U.S. nationals and foreign nationals—the employees shown in the personnel tables issued by the Administration and printed in the budget.

2. Other than direct hire employees—U.S. nationals, and foreign nationals who are contract employees or employees borrowed from other agencies on a reimbursable basis.

3. Foreign national trainees.

During the hearings, at the request of the distinguished chairman of the subcommittee, a table was inserted in the record on employment in both the economic and military assistance programs.

It was astonishing to learn there were 33,139 employees in the economic aid program on June 30, 1965, a net increase of 370 in 15 months. Employment of U.S. nationals increased at the amazing rate of 1,536 in those 15 months, while employment of foreign nationals and foreign national trainees was cut 1,166.

The subcommittee was told there were 15,600 regular direct hire employees on June 30, 1965. That was an increase of 50 over the January budget. To arrive at the 15,600, U.S. nationals were cut only 61—to 6,719—below March 31, 1964, but a much larger cut of 745—to 8,881—was assigned to foreign nationals.

"Other than direct hire" of U.S. nationals jumped to 5,208, an increase of 1,597, while foreign nationals for the same period decreased by 12 people—to 847. Foreign national trainees were cut in the same period by 409 to 11,484.

Strong supporters of the aid program argue that foreign national trainees are not employees of the United States on a technical basis. Regardless of semantics, they receive the benefit of the funds of the United States.

The following table was prepared from data submitted by the administration during the hearings:

Foreign Assistance Act program, military and economic—Summary of personnel—Continued

Total economic and military employees:

Mar. 31, 1964.....	71,416
Mar. 31, 1965.....	65,347
June 30, 1965.....	66,867

INITIATION OF PROJECTS NOT
PRESENTED TO CONGRESS

Testimony this year again confirmed the statement that the foreign aid program is presented to the Congress on an "illustrative" basis—that is, the agency requests funds for a project in one country but may spend the funds for a different type of program in another country.

For example, Chairman PASSMAN asked, "You could actually testify for funds for a road in Pakistan, and build a brick building in India, and still be within the law, could you not?"

Mr. Macomber, assistant administrator, Bureau for Near East and South Asia, answered, "That is correct."

Chairman PASSMAN asked a similar question of Mr. William D. Rogers, deputy U.S. coordinator, Alliance for Progress:

"You could, under the law, testify for a building and loan bank in Guatemala and build a mountain resort with that money in Brazil if it qualified, could you not?"

Mr. ROGERS. Yes, sir.

The flexibility under the authorization for use of appropriated funds is a primary factor in the ability of the administration to initiate projects that have never been presented to the Congress—even on an illustrative basis. It is our opinion that very few of these projects are of such vital importance to our national interest that they must be initiated without having first been presented to the Congress. The following table indicates the extent and cost of the practice in the past 3 years:

Project initiation	Number of unjustified projects	First year cost	Estimated cost to complete
Fiscal year 1963...	82	\$17,753,000	\$50,905,000
Fiscal year 1964...	60	7,202,000	21,967,000
Fiscal year 1965...	83	14,302,000	44,625,000

MISDIRECTION

The following is an example of the misdirection of the economic aid program.

One of the Members of the House of Representatives received a letter from a young man in the Peace Corps in Ecuador telling how the town of Bahia, a coastal village of some 8,000 inhabitants, was an excellent farming region until the midfifties when it was hit by a severe drought, and since then people had been leaving the area. The rains returned last year and the harvests were nearly as abundant as prior to the drought.

US-AID has a project called "Asimow" to provide technical assistance to underdeveloped countries to help set up small locally owned industries. Last year Bahia was selected as the site to be studied for development of a small industry. The natives were very hopeful as the town has a completely agricultural economic base and not one industry. US-AID hired a university staff to make the study, but instead of assigning highly trained technical experts, a group of undergraduates was sent. The natives were skeptical but accepted them and raised \$60,000 to begin a corn products industry as was suggested. Late last fall came word the study was incomplete and the industry suggested would fail if tried.

When Mr. Garner E. Shriver read the letter to AID Administrator Bell on May 4, he promised to submit a statement for the records. An explanation had not arrived by the time the hearings went to press. In fact a reply was not received until June 30. The lack of available information in Washington, and slow transmittal of a reply from

the area is a further example of the inefficient operation of the program.

DAIRY DEVELOPMENT IN JAMAICA

Last year the committee and subsequently the Congress approved in the Foreign Assistance Appropriation Act the so-called Whitten proviso which reads as follows:

"Of the foregoing amounts for economic assistance, \$300 million shall be available for obligation only through the apportionment review and approval procedure prescribed by law in such amounts and at such times as may be determined by the President to be in the national interest that funds otherwise available for the purposes of programs under this title are insufficient to meet the cost of additional authorized projects or programs."

On June 22, 1965, the President signed a determination in accordance with the above requirement, releasing \$182 million for use in the Development Loan and Alliance for Progress loan accounts. Subsequent to that date, using the funds released by the President and other uncommitted funds in the loan accounts—all of which had been taken into account when the recommendation for releasing part of the Whitten proviso reserve was made to the President—the following loans were authorized prior to the end of the fiscal year:

[In thousands of dollars]

Loan No.	Name	Amount
615-H-003...	Kenya—Polytechnic Institute...	550
664-H-025...	Tunisia—Highway Equipment and Maintenance.	6,750
386-II-143...	India—Dhuvaran Thermal Power.	32,300
386-H-144...	India—Durgapur Projects (II)...	16,500
271-H-112...	Israel—Telephone Equipment...	4,000
278-H-003...	Jordan—Damliya Junction—Northshovna Road.	1,640
277-II-061...	Turkey—Demirkoy-Ayancik Sawmills.	2,750
277-H-062...	Turkey—Feasibility Studies...	4,000
277-H-063...	Turkey—Keban Hydro Electric Project.	40,000
512-L-051...	Brazil—São Paulo Electric Distrib.	15,000
512-L-050...	Brazil—Rio Light Electric Distrib.	25,000
504-L-001...	Br. Guiana—Atkinson Field—MacKenzie Road.	5,500
513-L-026...	Chile—L.F.I. Coop. Dev. Bank.	3,650
513-L-027...	Chile—C.O.R.F.D. Dev. Bank.	6,000
513-L-028...	Chile—Fertilizer Import Prog...	3,600
515-L-015...	Costa Rica—Rural Electrification.	3,300
518-L-026...	Ecuador—C.O.F.I.E.C.—Private Dev. Bank.	3,000
518-L-027...	Ecuador—Primary Education Improvement.	5,300
519-L-009...	El Salvador—Rural Road Construction.	1,200
532-L-005...	Jamaica—Dairy Development...	3,800
524-L-011...	Nicaragua—Tax Improvement & Resources Study.	5,400
	3 loans authorized but not yet announced.	16,300
	Total	205,540

One of the items listed above is for \$3.8 million for dairy development in Jamaica. Was that expenditure of taxpayers' money in the national interest? These words "national interest" are greatly overused. Any giveaway could conceivably be argued to be in the national interest.

Witnesses for the AID keep returning to the "national interest" theory. We are for the national interest, too, but we do not feel it is served by squandering our resources.

The list of weaknesses in the foreign aid program area is almost without end. Two related defects, one of them chargeable to Congress itself, are: 1. The increasing willingness of the Congress to abdicate its responsibility to control foreign aid funds, and

2. Strong evidence of lack of concern for congressional intent specifically expressed in some instances in the hearings and sometimes in the foreign aid law itself, despite occasional devices such as the Whitten proviso which placed \$300 million in escrow until such time as AID officials clearly demonstrated they had no more money to carry out an authorized program of economic assistance.

REPORT OF PRESIDENTIAL ADVISORY COMMITTEE
ON PRIVATE ENTERPRISE IN FOREIGN AID

"Foreign aid, unless it is amplified by private initiative, is doomed to be a costly palliative that will go on indefinitely. The fundamental difficulty lies not in the idea of foreign aid, nor its execution by the Agency for International Development, but in the vast gap between the human and financial resources actually going into the developing nations and the resources they need to grow at an acceptable rate."

The foregoing quotation is from a summary report released on August 26, 1965, by the President of the United States. Its author is Arthur K. Watson, chairman, IBM World Trade Corp., and chairman of the Advisory Committee on Private Enterprise in Foreign Aid.

The undersigned minority members of the Appropriations Committee subscribe substantially to the aforesaid doctrine. Elsewhere in the letter transmitting the 53-page report, Mr. Watson says: "No matter how carefully our aid dollars are invested and no matter how wise and energetic AID's personnel may be, there is still not enough money nor people to accomplish the vast task the United States has undertaken."

The report goes on to urge that our foreign assistance efforts put increasing stress on energizing and encouraging private development resources, our own and those of the developing countries.

This document might appear self-serving if the advisory committee were comprised only of persons engaged in international commerce. But such is not the case; the makeup of the committee shows educators, a labor executive, a jurist, and a farm co-op leader.

There is almost no certain place at which to begin and clearly no place whatsoever to end a critique on our foreign assistance programs.

We are told foreign aid is a tool of our foreign policy. That suits us fine, but here again we feel AID management misses the mark too many times.

In the matter of serving up aid to countries whose leaders have clearly demonstrated inimical feelings toward the United States, we think the Congress should insist in the strongest terms that such countries be denied any form of aid.

The American public must be puzzled when it reads about the following exchange between the subcommittee chairman and Mr. Edmond C. Hutchinson, Assistant Administrator, Bureau for Africa, AID:

"Mr. HUTCHINSON. We do not like to provide aid to people who spit in our faces."

"Mr. PASSMAN. Then why do you give it to them?"

"Mr. HUTCHINSON. There are circumstances in which there is a balance of U.S. interest involved."

Now, how often do we have to turn the other cheek?

In the Senate during this year's debate on Foreign Assistance, Senator JACK MILLER re-offered his amendment to withhold U.S. foreign aid from those nations more than 1 year in arrears in their U.N. dues and assessments, reserving reasonable exceptions to be made

by the President. It was once more opposed by the administration, and consequently defeated.

It is difficult to place oneself in the position of going against so much "blue chip" testimony that any reduction in foreign aid would damage the vital interest of the United States. But in prior years such reductions have been made without impairing our image. Our image may have suffered some impairment around the world but not on account of a reduced foreign aid program.

EFFICIENT MANAGEMENT ESSENTIAL

Even so, we are not talking so much about reduction per se as efficient management.

Three billion dollars or even more in foreign aid could well be supportable if our country and our aims in the world affairs were getting that much good out of it. But even one-third of that much money would be too much if it were being wasted, as much of these funds are at the present time.

Much has already been said about the great infrastructure flexibility of the AID funds, so we won't belabor that again. But the AID personnel should not abuse their transferability privileges so flagrantly. As was said on the House floor during last year's debate on this bill: "There is looseness in control and application of funds and programs. Only after the money is spent and gone do we learn of bungling, mismanagement, and waste." There must be some way to provide tighter congressional control over these programs, before the money has been wasted and the chance to gain support abroad dissipated.

The AID Administrator praised the quality of his overseas project personnel. We are pleased he has such a high regard for them, but has any one of them ever tried to justify a project's cost/benefit ratio to the U.S. Corps of Engineers and the appropriate congressional committees? If these projects were submitted to the same tests of feasibility applied to similar projects constructed in the United States, we'd have fewer roads to nowhere, dams that impound no useful water, and worthless irrigation projects. These projects could well be the catalyst enabling other nations to help themselves, much as they serve that purpose in the United States. But they certainly should be subjected to the same criteria that projects constructed within our own borders must meet.

At least two congressional committees, the Foreign Affairs Committee and the Joint Economic Committee, are presently conducting hearings on the best use of our enormous holdings of foreign currencies around the world. We look forward to their reports with interest and hope their studies, will result in better and more economical management of those funds, to the end that those currencies will be expended in place of dollars.

DIRECTION OF PROGRAM

The foreign aid program needs a major revamping, and the bulk of the American people are thoroughly in accord with this feeling. Our taxpayers would take a far better view of the program if they could see that the accomplishments were more favorable to the people of the recipient countries. Certainly the focus of our foreign aid program should be upon:

1. Responsive projects using our abundance of food to feed the unfortunate peoples of the world where starvation is all too prevalent, and

2. Initiation of educational programs to help the people of newly emerging nations to better enable them to take their place in a continually more complex civilization.

It occurs to us that much of the foreign aid program has been misdirected. We have given cash grants to dictators, and to neutral and even unfriendly governments, with little of the benefits reaching the people. Em-

phasis has to be placed on keeping this a "people to people" program. By genuinely giving this impression to the people of the world, a foreign aid program could well be the most significant program for world peace and understanding in our entire Government.

Everyone knows no one can buy friends. As the House minority report on the 1965 foreign assistance authorization bill states, "Foreign aid has not halted either the expansion of communism or the drift of many aid recipient nations toward Communist ideologies."

Witnesses testified before the committee on the need for separating the military assistance program from the economic aid program. We agree that the time has come for the program to be reexamined.

We support the minority views contained in the committee report on this bill of last year which are as follows:

"We feel that as legislators (1) we are disinterested judges, looking only at the facts as we see them; (2) we are interested in saving money for the taxpayers of the United States; and (3) we are interested in furthering the purposes of the foreign aid program as set forth in authorizing legislation."

We also feel major changes in its direction and application must be made if we are to realize its potential.

Few Members of Congress question the fact that something is definitely defective in the present structure of a foreign aid program which can consume so much money and yield such minimal results.

The time has come for a major overhauling. This should well be one of the major duties of this 89th Congress.

GARNER E. SHRIVER, MARK ANDREWS, FRANK T. BOW, CHARLES R. JONAS, MELVIN R. LAIRD, E. A. CEDERBERG, GLENNARD P. LIPSCOMB, JOHN J. RHODES, WILLIAM E. MINSHALL, ROBERT H. MICHEL, ODIN LANGEN, BEN REIFEL, GLENN R. DAVIS, JOSEPH M. MCDADE.

ADDITIONAL VIEWS OF MR. CONTE AND MR. ROBISON

We, the undersigned, are committed to the idea and the spirit of foreign aid as a vital arm of our foreign policy; to it we give our full support as we have done consistently during the years it has been our privilege to serve in the Congress. One of the undersigned, Mr. CONTE, has served 7 years on this important committee.

We are charged by the American people with the responsibility of carefully scrutinizing and evaluating the proposed program and expenditures of our foreign assistance efforts. The discharge of that responsibility is an awesome and commanding task, one to which we have all devoted many hours. A recent study of our foreign aid program expressed it in this way:

"The efforts of advanced countries to help less developed nations toward economic growth and political maturity will go on. From time to time, there will be doubts and misgivings about the wisdom or the effectiveness of the effort. Nevertheless, most Americans understand very well that the effort should continue and our political and economic interests are best served by building up the productive capabilities and democratic institutions of the less developed countries. What Americans do demand, and what they are entitled to have, is the assurance that their resources and support are applied with intelligence, skill, and dedication. ('Foreign Aid Through Private Initiative,' Report of the Advisory Committee on Private Enterprise in Foreign Aid, Agency for International Development, Washington, D.C., July 1965.)"

Any judgments which are to be made concerning foreign assistance should be made with the history and experience of our programs firmly in mind. It is no fairer to expect the countries receiving our aid to ad-

vance to the level, that it has taken this country nearly two centuries to achieve, in less than 20 years, than it is to say that our aid administrators have failed in their assignments because the job is not yet completed and our assistance efforts must go on.

However, support for foreign assistance legislation must be neither blind nor indifferent. We do not contend that we have reached the apogee or the perigee of possible implementing programs for foreign assistance. In these additional views, we do not intend to malign the program or its participants in a spirit of negativism. We seek only to present our constructive criticisms of the program and to set forth our proposals and endorsements for what we consider would be the improvement of our assistance efforts.

NEED FOR A RADICAL REVISION OF THE PROGRAM

We feel that it is time to make a comprehensive reevaluation of our program of assistance, revamping it to meet the needs of the developing countries in a manner that does not merely duplicate of the past.

There is something new in the foreign aid program this year—the increasing introduction of planned selectivity. Today, we are proposing aid to 72 countries, with 95 percent of our assistance going to 31 of these countries.

However, what we need today is not something new in the program so much as a new program. The total impact of our aid program remains diluted and weakened by the fact that we have still spread ourselves too thin. We should no longer attempt to do a little bit for everybody within a constrained budget, even on the reduced scale of 72 countries.

The 80th, a Republican Congress, acting in the wake of the destruction and devastation of World War II under the able leadership of then Congressman Christian Herter and Senator Arthur Vandenberg, established high standards for all future assistance programs in the Marshall plan and the Truman doctrine. The success and the indomitable spirit of these men were reflected in the programs which they had advocated and the new hope for the world which they provided. In many respects, the challenge with which we are faced today in our assistance efforts is as great as faced the 80th Congress. We must pick out of the sea of generalizations, a program of specialization. It will require basic and fundamental changes in our approach to assistance, in the scope and character of that program. What we must maintain is the drive and spirit of the efforts of those who have preceded us.

We have witnessed exciting successes in our assistance efforts of the past, as we have also experienced disappointing failures. In retrospect, we believe that the tally sheet is more than balanced in favor of the efforts that have been made. We have seen the substantial eradication of malaria in vast areas of the world where it had afflicted generation after generation; we have witnessed the worthwhile work done by the Peace Corps; we have brought educational institutions of all levels to people who would otherwise have been unable to train as technicians and develop professional skills enabling their countries to go forward with their own self-help programs. The list could go on and on. However, the mere duplication and proliferation of what has proved successful in the past does not insure continued success in the future.

At this time, we do not recommend a substantial reduction in the efforts we are making nor a shrinking away from the task which is before us. We do recommend increased emphasis upon and the further implementation of the program of carefully planned selectivity. By concentrated and intensive efforts in a small number of countries with development potential and promise, coupled with the will of the people of

the country to be partners in the assistance efforts, rather than a part of a giver-getter relationship, we can bring the country up to the level of achievement and continuing progress that it can join with us in aiding others. If a sound and diversified economic base can be established in underdeveloped countries, they, in good time, will have the means to offer their help to their lesser developed neighbors.

We will be able, then, to build an assistance program from a limited base that will ultimately reach all the developing nations of the world. The program will, at the same time, place even less of a burden upon this country and will rely more on regional identification of interest and the concern of neighboring nations, one for the other. Other developed nations of the free world are joining with us now in the fight against hunger, disease, and despair. During 1963 commitments by other free world nations for economic development increased, while U.S. commitments declined to less than half the free world total. The nations we helped after World War II are now helping others.

We have the basis for such selectivity in this year's program. In the development loan program, 74 percent of all the loans will go to only 7 countries. These countries are all engaged in strong, self-help development programs. Their potential role in future development efforts should not be lost in the miasma of too many programs and too many projects, in too many countries.

The new program of selectivity which we propose is one of two degrees. First, we must be selective in the number of countries in which we have an aid involvement. Second, we must be selective in the choice of the countries in order to assure that those countries in the program have the desire and ability to make the best use of our aid. We can spare no funds, especially in a program of a limited number of countries, for the support of marginal activities or for costs that aid-receiving nations are able to carry themselves. The helping hand that we offer must be grasped by the people of the country to whom it is extended.

NEED FOR INCREASED EMPHASIS ON ASSISTANCE TO LATIN AMERICA

In a new or reinforced program of selectivity in our assistance efforts, we recommend that one area of emphasis be Latin America. The potential and the need for development there have been long overlooked and short-changed. There are pressing needs for agrarian and tax reform in Latin America. We are just beginning to see the results of the progress that has been made possible under the Alliance for Progress. Latin America is truly on the march and we must insure that momentum is maintained. We can do so by more selective and intensified economic assistance efforts.

NEED FOR A NEW APPROACH TO MILITARY ASSISTANCE FOR LATIN AMERICA

We do not support the continued high level of military assistance to Latin America. The appropriation request for this funding category has systematically increased with each passing year despite a material limitation of \$55 million. We are not convinced that, in every instance, these funds are applied only toward the intended goal—the maintenance of the internal security of the individual Latin American countries. These funds could well be an enabling factor in any Latin American country's buildup of military capabilities for external aggression and in many of the coups that have taken place in Latin America.

We recommend that early and serious consideration be given to a regional military defense organization for Latin America similar to NATO. The value of such a regional organization would be manifold. It would enable us to eliminate or curtail the grants of military assistance to individual Latin

American countries. It would provide an identification of interest and purpose, common to all of the Latin American countries, for the defense of Latin America.

It is essential that these nations realize that the Communist threat affects all Latin American nations, not just a few. While these countries are, of course, independent entities, the successful resistance of any one country to this threat may well be dependent upon the combined efforts of all singularly and forcefully brought to bear on the common foe.

NEED FOR BETTER UTILIZATION OF EXCESS FOREIGN CURRENCIES

We must stop merely planning how to use the growing amounts of United States-owned foreign currencies in the eight excess currency countries, and start using them. We have more than one and a half billion dollars worth of these currencies. Within the past month, we have seen the value of the excess currencies which we hold in Yugoslavia decrease by the devaluation of the dinar.

It is not, however, only inimical to the interests of the United States to maintain these holdings of excess currencies. The countries where these currencies are held criticize this country for these excess accumulations and express concern that they might be put to a use seriously affecting the internal financial and economic interests of the particular country.

Proposals for the use of these funds have been rejected for lack of definiteness by the Congress and the agencies that could put these funds to use seem reluctant to request them as part of their dollar appropriations. However, it is in the interest of both this country and the host countries that these idle currencies be put to work.

India is one of the eight excess currency countries. As of June 30, 1964, the United States had accumulated nearly \$980 million worth of Indian rupees from Public Law 480 sales proceeds, from payments of principal and interest on past development loans to India, and from interest on U.S.-owned rupee bank deposits in India. Of this amount, \$392 million is earmarked for exclusive U.S. use and \$588 million is reserved for India's use in the form of development loans and grants. The amount of U.S.-use currency is expected to increase to about \$611 million by the end of fiscal year 1966.

The amount being presently spent for U.S. uses in India is about \$25 million annually. It has been estimated that at current rates of expenditure, U.S.-owned rupees in India represent roughly a 28-year supply of estimated requirements for our general purposes in that country.

The excess currency in India, as in other excess currency countries, is not readily available for the purchase of goods and services, nor is it freely convertible into other currencies. Under these circumstances, it would be desirable for the United States to find ways to put to use some of its rupee holdings. We can do so in such a way as to help the Indian economy and the educational structure. However, there has been no development of constructive programs to use sufficiently these funds to strengthen the assistance efforts of this country or to implement our foreign policy.

We single out India because it is the country in which we hold the largest amount of U.S.-owned foreign currencies. At the same time, it is the country where the greatest effort has been made by American officials, under Ambassador Chester Bowles, to try to put this idle currency to work for us. These efforts have been of no avail and signal the need for the action of the committee and Congress. Mr. CONTE, together with Ambassador Bowles, has proposed the use of the U.S.-owned rupees to strengthen our administrative operations in India, to establish a binational educational foundation, and to

strengthen our programs and activities within that country.

The programs of the Foundation could include:

1. Establishing scholarships for outstanding Indian students.
2. Strengthening selected institutions of technology, agriculture, teacher training, and multipurpose high schools to make scholarship programs more effective.
3. Grants for improvement of textbooks and other teaching material at primary and secondary levels.
4. Additional support to existing American institutions in India such as those at Hyderabad and Poona.
5. Promotion of Indian literature, art, music and dance in the form of grants to the three national academies located in New Delhi.

6. Development of public libraries and student reading centers which 100 Indian cities urgently need.

We could achieve similar purposes in all of these countries with these idle funds, to the mutual benefit of the excess currency countries and the American image around the world.

NEED FOR PRIVATE ENTERPRISE IN THE FOREIGN AID PROGRAM

We endorse "The Report of the Advisory Committee on Private Enterprise in Foreign Aid."

The gap between the resources that have in the past gone into the developing countries and the resources that the people of these countries need, as well as the fact that there does not seem to be enough money to accomplish the task that this country has undertaken, should not prompt our resignation to a futility of our assistance efforts nor invite us to abandon them. It is rather, a call to meet the challenge before us through the enlistment of the private resources in which this Nation so plentifully abounds.

We are a Nation built upon individual initiative and private enterprise. We have, then, no better spokesmen for the freedom of choice and the economic advantages of the opportunities afforded by a democratic society than the very people who have, as a part of such a society, grown and developed to the point where they can now offer their assistance to those eager to set out on the long road for themselves.

We have seen the application of private initiative on a small scale reap large scale benefits for the participants from both this and the developing country with the small businessmen's project in Tunisia which was financed, in part, by AID. If we are going to emphasize a people-to-people program in our aid efforts, we should encourage it on that level.

We recommend concerted efforts to enlist the help of private enterprise and private initiative, remembering that money alone will not do the job that must be done. Our universities, business enterprises, labor unions, and professional societies are a vast and virtually untapped reservoir of capital, skills, and human resources that must be motivated and applied to assist the world's developing countries. While the eventual success or failure of our foreign assistance programs may not be determined by the contributions made by American private initiative, we are convinced that the earliest possible successful accomplishment of the goal depends upon their participation.

NEED FOR A NEW PERSONNEL PROGRAM

There has been very little congressional action taken regarding the special personnel problems encountered by AID. The administrators are responsible for the operation of an international business, but find themselves forced to apply differing standards to a single position or person. The personnel policy is administered in part under the Foreign Service Act and in part under the

civil service system. This involves a change in status for every employee who is sent from Washington, where he is a civil servant, to one of the overseas posts, where he assumes Foreign Service Reserve status. A similar change operates in reverse for the employee returning to this country from an overseas assignment.

As a result, it is a difficult procedure merely to make the changes essential to upgrade the personnel of the Agency. David Bell, the extremely capable and dedicated administrator for AID, declares the lack of personnel authority specifically designed for the Agency is the No. 1 problem with which he is faced. In his testimony before the subcommittee, he indicated that the continuation of the stopgap system has accounted for the accumulation of a number of people, under the protective umbrella of civil service, who are not qualified to meet the rigorous requirements of the program as it is carried to the developing nations of the world today.

We recommend enactment by the Congress of a personnel statute drawn specifically to meet the unique requirements of the Agency for International Development in its employee relations and policy.

CONCLUSIONS

Remarks made by one of the undersigned, Mr. CONTE, during the debate on this legislation 1 year ago on the floor of the House, express the purpose and intent of these, our views, and are as timely today as when they were presented. We cite them in conclusion of these views:

"Every Member of this House wants to see improvements made in the foreign aid program. There is not a Member who does not have his own ideas about how this could be accomplished. Some of the criticisms and suggestions of Congress have been put into effect and have helped to improve the program. It is important for Congress to continue to suggest changes and improvements. If anything, there is need for even greater congressional examination of the strengths as well as the weaknesses of foreign aid. But there are any number of ways in which Congress can influence the course of foreign aid without casting doubt on the concept, undermining the confidence in the program, and creating a negative political climate which favors restrictions and reductions rather than healthy, constructive criticism and support."

SILVIO O. CONTE.

HOWARD W. ROBISON.

Mr. MORSE. Mr. President, let me say to my friend the Senator from Rhode Island that in my desire to hasten consideration aid disposal of the pending bill as quickly as possible, I forgot, before Senators left the Chamber to ask for a yea-and-nay vote.

As the Senator knows, I have a gentleman's understanding with the majority leader that he will endeavor to assist me in obtaining a yea-and-nay vote. Therefore, because I cooperated yesterday in agreeing to the unanimous consent agreement which would limit debate today, I hope that before the Senator from Rhode Island finishes whatever comments he is going to make, he will extend me the courtesy of a quorum call just long enough to get sufficient Senators into the Chamber to ask for the yea-and-nay vote.

Mr. PASTORE. That is absolutely satisfactory to the Senator from Rhode Island. The Senator from Arkansas [Mr. McCLELLAN] has a speech of 20 or 25 minutes.

I yield 20 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I shall vote against the pending foreign aid appropriation bill. It represents an extravagant waste of American tax dollars in furtherance of misguided or confused policies. The American people are increasingly opposed to this vast program of waste, and I have been opposed to it since shortly after the end of the Marshall plan era.

I think most would agree that the aid and assistance furnished under the Marshall plan to countries devastated by war was a graphic demonstration of America's humanitarian concern for the welfare of the peoples of the world, and certainly was in the best tradition of our concept of democracy in action. I supported it. But that program had guidelines, definite goals, and cooperation by the recipients. It served a worthy purpose and was successful.

Today, more than \$100 billion later, we find an aimless foreign aid program floating about in a sea of bewilderment that is at odds with reality. The most tangible, realistic thing about the program is its excessive cost, while its intangible results have been increased involvement with more and more countries, growing resentment by the recipients of our aid, and deepening concern over the direction in which this drifting program is taking the United States.

Since fiscal year 1946, the United States has been engaged in an outpouring of American tax dollars at alarming proportions under the guise of foreign aid. Some 110 countries and territories of the world have been served by it. Today, anyone would be hard pressed to demonstrate any concrete, constructive results achieved during the past few years as a consequence of this folly.

In the post-World War II period, the public debt of this Nation has risen by almost \$50 billion. This means that we have been borrowing money to finance this foreign aid program.

The Russians have said that they will bury us. The only way we will be buried is to bury ourselves by the simple expedient of continuing deficit spending that will be followed by inflation and economic chaos.

The best hope for the free world in the long run is a strong America—strong both militarily and economically. All too often we rely only on our military might and tend to forget the vital importance of maintaining a strong economy and sound fiscal policies. In fact, it has become fashionable and sophisticated to think only in terms of deficit spending and larger indebtedness.

Many feel—and our Government is now proceeding on the theory—that in relation to the rise in the gross national product, an increase in the national debt of \$4 or \$5 billion annually is of no consequence; that this excessive spending is a healthy stimulant; that large annual deficits create no inflationary pressures.

Mr. President, with that premise, I do not agree. Heavy habitual deficit spend-

ing cannot possibly continue indefinitely without detrimental effects. This, coupled with the critical balance-of-payments deficit and related factors, could cause serious trouble, and I believe will do so, if not remedied.

The deficit for the fiscal year 1965 was \$3.474 billion, and our debt limit now stands at \$329 billion. I suggest that one means of reducing the deficit of \$3.474 billion would have been to eliminate the foreign aid program—or at least a portion of it.

The pending bill seeks appropriations of \$3.907 billion for foreign assistance, but the agriculture appropriations request includes \$1.658 billion for the food-for-peace program, so we are dealing with total foreign aid expenditures of more than \$5.5 billion.

According to Congressman OTTO PASSMAN, chairman of the House Foreign Operations Subcommittee of the Appropriations Committee, there are now some 22 Federal agencies dispensing some type of aid in 99 foreign nations and 9 territories. Moreover, he indicates that there were unliquidated foreign aid funds, old and new, available for expenditure in fiscal year 1965 amounting to more than \$11 billion. These are funds previously appropriated and which are not yet expended. The administration disputes this figure and suggests that only some \$6.3 billion was in the pipeline as of June 30, 1965. But even using this figure and adding to it the pending requests for an additional \$5.5 billion, we find that almost \$12 billion will be available for foreign aid expenditure in the current fiscal year. This is a very imposing reservoir of funds and we have no moral right to waste it—to spend it uselessly. Surely this huge amount could be reduced by half, and our interests would still be fully protected and our obligations could be fully met.

Mr. President, I was disappointed that efforts to end the present foreign aid program did not prevail earlier this year when we considered the authorization bill. The American people have been saddled with this burdensome program long enough, and it is regrettable that Congress failed to grasp the opportunity offered at that time to impose a deadline on this program and call for a re-examination of objectives that our national self-interest dictates we should pursue in this field.

We have given repeated expressions of this Nation's humanitarian concern for the welfare of the peoples of the world, but in so doing, I wonder if we have not lost sight of the reason why we took the initiative in offering foreign aid following World War II. Was it not then our purpose to rebuild countries torn asunder by war—was it not to resurrect suffering economies—and was not this latter goal tied explicitly to our own self-interest in promoting world markets? But how is the interest of America served under today's program? Surely America's welfare and future destiny are not dependent upon our perpetuating this useless and fruitless policy of indiscriminate foreign aid spending.

If this Nation has something to contribute to mankind—as I am convinced that it does—then it must surely be something a bit grander than mere benevolence. The greatest gift that this country can ever hope to offer other nations of the world is the simple notion of self-government—the simple notion of individual freedom—and the simple principles of the free enterprise system. And, Mr. President, these are precious commodities that gold alone cannot buy. Nor are they exportable in instant form. For these simple notions to take root and flourish they must fall on receptive soils. Therein, I think, lies the fault with much of our previous efforts with foreign aid. We have sought to sow before the grounds were prepared—and in many instances before the fields were even cleared. We tend to forget, or overlook, that what this great country achieved in just a few short years has not been equaled by other countries boasting civilizations extending back centuries before America was discovered. The significant technological advances made in our space program are ample evidence of the fact that we are able on occasion to “leapfrog,” as it were, in attaining even more advanced and sophisticated levels. But I think we err when we think we can apply this leapfrogging technique to the developing nations of the world by simply giving them money.

And how will the future historians assay the role our foreign aid program played in the bitter struggle between India and Pakistan? Two neighboring nations have been locked in combat, using American-supplied weapons and money furnished under the guise of foreign aid, testify to the crying need for a reappraisal of this program. At the moment a cease-fire agreement is in effect, but at most it is fragile and insecure.

Billions of dollars and untold weapons of war have been poured into both countries. Almost \$8 billion in economic aid alone has been dumped into these countries since World War II; \$5.2 billion for India and \$2.6 billion for Pakistan. And to what end? Certainly not so that they could afford to fight like spoiled children. A nation with the resources of America should exercise the greatest possible caution and prudence in any program to share its bounty with the less fortunate countries of the world.

The combatants in that struggle cannot afford the burdensome toll that war exacts. And one wonders if that conflagration would have flared and spread without the aid furnished by us. But this much we can foresee, that regardless of the outcome, more raids will be made on America's treasury.

Americans seem increasingly to be geared to a credit-card way of life, but I seriously doubt America's capacity—great as it is—can long honor credit-cards for all the nations of the world.

Mr. President, we have all read of the waste and inefficiency associated with the foreign aid program so much over the years that we tend to accept it—waste—as inevitable. However, this year, no less authority than the General Accounting Office, the auditing agency for the Congress, indicted the program by saying

that there is more waste in the foreign aid agency than in any other civilian agency in the Government. Testifying before the Senate Foreign Relations Committee, the Comptroller General, Mr. Campbell said:

The aid program is in a class by itself with respect to waste.

And in this instance he was not referring to the shipment of TV sets for jungle villages with no electric power, or to shipment of “royal bee” sex rejuvenator for Nationalist China. The Comptroller General was speaking in terms of waste on a much larger scale. For example, the Comptroller pointed out that the Agency for International Development, the bureau handling the foreign aid program, unnecessarily spent almost \$4 million to finance goods produced in one aid-receiving country for shipment to other aid-receiving countries, even though such purchases could have been made with U.S.-owned foreign currencies in those countries rather than with dollars.

Also, some \$7 million in interest was lost in the Republic of China in a 2-year period because someone neglected to get an agreement whereby the Chinese Government should pay interest on the large holdings of U.S.-owned foreign currency in that country.

The Comptroller reported that the Turkish bituminous coal industry continued to suffer from inefficient operations despite U.S. dollar and foreign currency aid of at least \$68 million. In addition, about \$18 million had been provided to three enterprises for the procurement and erection of facilities—grain storage facilities, meat-packing plants, and a coal-drying plant—which were barely used, although they had been completed for 2 or more years.

The assistance furnished had contributed little toward improving operations of the enterprises.

Also, the General Accounting Office reported that about \$54 million in grant-in-aid assistance for development projects in the Philippines had been furnished which substantially exceeded Philippine capabilities to effectively absorb, maintain, and utilize with the limited country funds allocated for this purpose. As a result, the projects, involving highways, dredges, piers and wells, had not achieved the economic development benefits that could have been reasonably expected had adequate levels of support been made available by the Philippine Government.

Added to these wasteful examples are, of course, the oft-repeated incidents of providing countries with equipment far too sophisticated for adaptation and use by the recipient, and the many failures to get firm commitments from recipient countries whereby proper maintenance and use will be made of equipment and/or facilities furnished with American dollars.

Mr. President, I pause to cite two instances in one country. There are others in the same country, and I am sure that if a thorough investigation were made into this program and could be made thoroughly, we would immediately discover similar instances.

In Iran a total of \$609,000 in grant funds have been obligated for the construction of a modern slaughterhouse. The project was originated in 1952, 13 years ago, and still is not completed.

This unsatisfactory rate of execution was the result of several revisions of project plans, delay in plans, engineering services, and procurement of equipment.

I understand that when it is completed it is proposed to send people to England to train them how to operate it. They have not reached that point, although they have had it for 13 years.

There are other instances. I call attention to one other instance.

A total of \$597 million in grant funds was obligated for a sawmill project in Iran. This began in 1952. Construction of the sawmill was finally completed in June of 1962. A half million dollars worth of equipment laid out on the port for many years before it was assembled, all after a series of delays. The start of the full operation was delayed 2 years more while the Government of Iran tried to work out problems of managing and operating a sawmill.

They finally came to this country and induced an American firm to enter into a contract and operate the mill. It did. Americans went over there and organized it, organized the help, and made it operate profitably.

Immediately when this was done, the government went down there with its bayonets, and drove it away, and the sawmill stands there today, operating one-third of the time.

This program is shameful in the way it is administered and the results obtained from it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may have 5 minutes longer than the time allotted to me.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. MORSE. I shall be brief. I thank the Senator from Arkansas for this speech. The Senator from Arkansas and the Senator from Louisiana [Mr. ELLENDER] who will be offering amendments later that I shall support, are two Senators who have stood shoulder to shoulder with me in my efforts of recent years to clean up and reform the foreign aid program.

No Senator has stood on the floor of the Senate in the past several years and denied what the Senator has been pointing out; namely, the devastating findings of the Comptroller of the United States.

Until the Senate is willing to make a finding of fact as to the Comptroller of the United States, the senior Senator from Oregon will never vote for a foreign aid bill.

Mr. McCLELLAN. I thank the Senator.

Mr. President, I remember that my attention first came to waste in the program when I was heading an investigating committee, a subcommittee of the Committee on Government Operations. I do not remember the year. We found that millions of dollars had been

spent creating an irrigation project in Bolivia.

When it was finished there was no water. I do not know what happened to that operation. I presume the project is still there.

These problems are bad enough, but they reflect primarily on the administration of this program. Another area that to me is intolerable reflects primarily on the policy of the foreign aid program. And that intolerable situation is where American property has been attacked, burned, and destroyed in the very countries receiving our aid. In Pakistan just this week a mob of several thousand attacked our Embassy in Karachi and burned a USIS library. And other anti-American demonstrations occurred in Lahore and Dacca.

I was pleased to note that language was added to the authorization bill declaring it to be the sense of the Congress that assistance under this or any other act to any foreign country which permits or fails to take adequate measures to prevent the damage or destruction by mob action of U.S. property within such country should be terminated and should not be resumed until the President determines that appropriate measures have been taken by such country to prevent a recurrence thereof.

But I feel we should go one step further and impose an absolute prohibition on aid in such instances.

We seem to have engendered a widely held view that this country owes an obligation to aid every less developed country in the world and we certainly are not helping to dispel this misconception by tolerating continued abuses of our personnel and property abroad.

Earlier this year a tabulation of such incidents printed in the CONGRESSIONAL RECORD listed 51 occurrences of this nature between July 1962 and December 1964. We are all familiar with these insufferable abuses, Mr. President, and yet we continue to tolerate them.

In his state of the Union message, President Johnson said:

We are prepared to live as good neighbors with all, but we cannot be indifferent to acts designed to injure our interest, or our citizens, or our establishment abroad. The community of nations requires mutual respect. We shall extend it—we shall expect it.

The reaction? American establishments continued to suffer attacks around the world in the days following this statement.

Consider the situation with Nasser of Egypt who says we can take our aid and jump in the lake, and yet we give him more. Or Sukarno of Indonesia who says he does not need our foreign aid and then he confiscates our rubber plantations and libraries. Each of these countries has received U.S. aid amounting to nearly \$1 billion since World War II.

And what of France, a country owing us billions in war debts, while General de Gaulle seeks to embarrass the United States by making repeated calls on our gold reserves.

We provide no direct aid to France now, but it would appear that the unprecedented—nearly \$10 billion—we have extended to France over the years since

1946 has gone for naught so far as General De Gaulle's gratitude is concerned. Perhaps we should require that France repay her World War I debts of \$6.5 billion in gold. Certainly this would be in keeping with De Gaulle's principles, and his peculiar passion for gold.

Burned American libraries and smashed embassy windows stand as stark reminders that the billions of dollars this Nation has contributed are not enough to buy friendship. Indeed, they furnish ample evidence that dollar diplomacy has never and will never prove a successful substitute for establishing and maintaining, on the basis of justice and reciprocal respect, effective international relations.

This country—the wealthiest Nation the world has ever known—is still not so abundantly rich that it can rely solely on the dollar to promote and protect our interests and position abroad.

Moreover, Mr. President, I am deeply concerned over the deleterious impact that the continuing foreign aid program has on our balance-of-payments deficit.

Members are well aware of this situation, and will recall that only a short time ago Congress was asked to enact the gold cover bill in order to afford time for the administration to take steps to reduce the continuing U.S. balance-of-payments deficit. I have long been a critic of policies which contributed greatly to the predicament this deficit has presented, particularly in the area of foreign aid. However, I supported the gold cover legislation on the basis of the President's assurances of taking affirmative action to reduce and eliminate this deficit by taking advantage of the opportunity afforded by that measure.

The result today is not altogether reassuring in that regard, Mr. President. I realize that it is perhaps still too early to expect any significant or sustained reversal of the trend that gave rise to this problem, but it is a serious matter and we should not lose sight of the consequences it may bring. The United States has had 14 balance-of-payments deficits in the past 15 years, totaling \$35 billion and we cannot afford to relax our efforts to arrest and reverse this trend.

And I think it is clear, Mr. President, that foreign aid will continue to adversely affect our balance-of-payments position.

In this connection we might do well to heed the warnings recently issued by Federal Reserve Chairman William McC. Martin on the similarities of the conditions today with those of the 1920 era. At that time, just as now, he said, Britain and the United States were both in balance-of-payments difficulties and France decided to convert its payments' surplus into gold.

We need to bear this in mind as we consider the pending foreign aid bill, Mr. President. And we need improvement in the clarity and meaningfulness of our policies to the end that confusion will be eliminated and misunderstandings will be avoided. We should endeavor to provide a more positive leadership, defining our purpose and objectives in language that will hardly per-

mit misinterpretation and in terms that neither friend nor foe should misunderstand.

Mr. President, if we were to shut off any further assistance this very minute we would still find the foreign aid pipeline clogged with many unspent billions of American dollars. I think that it is time to turn off the spigot and clear the pipeline, and then chart a clear course before we dare set sail again on the expensive expanse of the foreign aid sea.

Let us not pave the road to economic chaos with ill-conceived programs contrived and peddled aboard with the zeal of a missionary. If we are to remain in this foreign aid business—and this now seems as certain as death and taxes—then let us be a bit more hardheaded in our transactions and promote the formula that made America great—a formula of self-help, self-reliance, and self-interest.

Mr. PASTORE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 8 minutes remaining on the amendment.

Mr. PASTORE. I suggest the absence of a quorum, the time for the quorum call to be charged to the time allotted to me.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, the Senator from Rhode Island is opposed to this amendment.

I suggest the absence of a quorum, the time for the quorum call not to be charged to either side.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. PASTORE. Mr. President, the pending amendments would provide for a cut of \$25 million under the military assistance program. While this amount may be considered small with reference to the \$1.17 billion for the entire military assistance program for all the nations of the world to which we are committed, the \$25 million is one-third of the entire military assistance program for Latin America.

This amendment would reduce the military assistance program for one particular region, Latin America, by more than 30 percent. It would be a drastic, dangerous, and tragic cut. I hope that the Senate will reject the amendment.

I yield back the remainder of my time.

Mr. MORSE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the senior Senator from Oregon [Mr. MORSE]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Maryland [Mr. BREWSTER], the Senator from Tennessee [Mr. GORE], and the Senator from New Hampshire [Mr. MCINTYRE] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Massachusetts Mr. [KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Minnesota [Mr. MONDALE], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from New York [Mr. KENNEDY] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Nebraska [Mr. CURTIS], the Senator from Kansas [Mr. PEARSON], the Senator from Wyoming [Mr. SIMPSON] and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT] would vote "yea."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Wyoming [Mr. SIMPSON] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 41, nays 43, as follows:

[No. 268 Leg.]

YEAS—41

Bartlett	Ervin	Nelson
Bayh	Fannin	Neuberger
Bible	Fong	Pell
Boggs	Fulbright	Proxmire
Burdick	Gruening	Robertson
Byrd, Va.	Hruska	Russell, Ga.
Church	Jordan, N.C.	Symington
Clark	Jordan, Idaho	Talmadge
Cooper	McClellan	Tydings
Cotton	McGovern	Williams, N.J.
Dirksen	Morse	Williams, Del.
Douglas	Morton	Young, N. Dak.
Eastland	Mundt	Young, Ohio
Ellender	Murphy	

NAYS—43

Aiken	Hayden	McGee
Allott	Hickenlooper	McNamara
Bass	Hill	Metcalf
Byrd, W. Va.	Holland	Miller
Cannon	Inouye	Monroney
Carlson	Jackson	Montoya
Case	Javits	Moss
Dodd	Kuchel	Muskie
Dominick	Long, Mo.	Pastore
Harris	Long, La.	Prouty
Hart	Magnuson	Randolph
Hartke	Mansfield	Ribicoff

Russell, S.C.
Saltonstall
Smathers

Smith
Stennis
Thurmond

Yarborough

NOT VOTING—16

Anderson
Bennett
Brewster
Curtis
Gore
Kennedy, Mass.

Kennedy, N.Y.
Lausche
McCarthy
McIntyre
Mondale
Pearson

Scott
Simpson
Sparkman
Tower

So Mr. MORSE's amendment was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HAYDEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, I send to the desk another amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 4, line 25, strike out the figure "\$1,170,000,000" and insert in lieu thereof the following: "and provided further that military assistance to India, Pakistan, Greece, and Turkey shall be limited to not to exceed fifty percent of the cost of equipment and training which those countries received from the United States during the last fiscal year, \$1,000,000,000."

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, my proposed amendment does two things.

First. It specifies that military assistance to the named countries of India, Pakistan, Greece, and Turkey shall be reduced by 50 percent from the amounts those countries received in the last fiscal year.

Second. The amendment reduces the military assistance appropriation by roughly the amount that would be saved if those specific programs were each reduced by 50 percent, namely, \$170 million. It leaves still an appropriation of \$1 billion—far too much.

I pick out these countries because they have used military equipment and training supplied by the United States in military action against each other. I picked out these countries as a warning to others who might do the same thing. I picked out these countries as an example to our military leaders of the criticism of this body of the indiscriminate arming of any nation that will accept our military equipment and to try to show how ill advised and irresponsible have been our actions.

Mr. President, we have learned during the last few weeks that U.S. military assistance has been spread too far, too wide, and too thick. It has been spread so widely that there are few border skirmishes in which the participants are not shooting U.S. manufactured military hardware at each other, guided by the training we have given them.

Mr. President, I would wager that during recent hostilities between India and Pakistan that American military advisers were not far behind the front on both sides.

What have we come to?

The time will soon come when the munitions makers which the former

Senator Gerald Nye exposed years ago will seem like a group of lily-white, small businessmen.

Today the munitions makers, the munitions distributors, and the military trainers are employees of the U.S. Government.

The amendment I have sent to the desk calls for a specific limitation on military assistance to named countries—countries which have shown that they do not take seriously the admonitions of our military agreements that this equipment is not to be used against nations friendly to the United States.

I predict that without adoption of this amendment, it will be only a matter of days until fresh military supplies from the United States, in full replacement of their losses, will be on the high seas on the way to both India and Pakistan. After all, if we do not send new tanks to the Pakistani, their military men will not have equipment to keep them occupied. If we do not send additional assistance to India, the men in its armed forces may have to use wooden guns. would not that be awful?

What a tragic situation to which we have come. We will soon be the most hated Nation in the world if we continue to give free reign to our military advisers who can only advise that these new underdeveloped nations receive more and more military assistance.

Let me state parenthetically that one of the great purposes of my amendment would be to start turning the trend of the military economy in this country back to a free economy. For every American today is living, not under a free economy, but under a defense economy. If we stop the subsidy to every American businessman who directly or indirectly is the beneficiary of the terrific defense economy that has been built up, in no small measure as the result of our military aid program, we shall have some small chance of returning to a free economy. We shall also have some chance of changing the trend of our Government from a government in which the military is more rapidly coming into power and the civilian powers are rapidly going out of control.

Mr. President, we are not going to face up to this problem of returning to a free economy unless we are willing to come to grips with the type of amendment that I am advancing.

I noted in the press a few days ago that the Pakistani armed forces had made limited use of napalm in their attacks on the Indian forces. I wonder where they learned of that civilized war-making device. I wonder where they obtained their napalm. I wonder who taught them their techniques.

We talk about being a moral nation, but much of the world knows that we fall far short of practicing our alleged moral principles. Millions of people know the chasm, the abyss, the great difference between the religious professions of Americans and the practices of American foreign policy.

I know that I must expect to be attacked—as I am in certain places—because I hold fast to my upbringing, because I believe that the religious principles I was taught should be lived up to

not only by individuals, but also by governments. For a people, in the long run, will be no more moral than the moral principles they are willing to insist shall constitute the practices of their government. I find it difficult to reconcile a great many facets of the military aid program with religious teachings.

If the United States is not willing to be the nation to begin to hold back on military shipments to these new nations, no one will take the lead. Of that we can be sure.

I predict that if Congress does not take the lead in stopping this nefarious traffic, it will be only a matter of time until we shall find fiery outbreaks all over Africa—the spear having been replaced by the machinegun, manufactured in the United States; the arrow having been replaced by the rocket, manufactured in the United States. And we call ourselves civilized.

I hope that my amendment will be adopted and that we shall have the audacity to begin to put a stop to this.

Mr. President, let me say to the Governments of India and Pakistan, Turkey and Greece, that no one in Congress would be more willing than I to vote for economic aid for them on a project-to-project basis, on a sound business loan basis which would help to prepare the seed beds of economic freedom in their countries, and make it possible for the masses of their people to be economically free, and to have their standards of living raised.

There will be no real political freedom assured for future generations in those countries until we do a better job of preparing the seed beds of economic freedom in the underdeveloped countries of the world, out of which, interestingly enough, political freedom will always take root and grow.

We shall never lead mankind to peace through military aid.

Our military aid has reached outrageous proportions. It is the greatest aid to the Communists, because it stirs up hatred and resentment against the United States around the world, not only in the countries which receive the aid, but also among millions of people who form public opinion in countries that do not need military aid.

I do not believe that my ideals and convictions can be better expressed than to repeat what I have said in meetings of the Foreign Relations Committee, and on the Senate Floor: That if we really wish to be a great flaming torch, lighting the way to freedom and peace, we will export not military aid, but bread, by way of economic freedom to millions of people in the world who are hungry for economic freedom but can only be annihilated by American military aid.

Mr. PASTORE. Mr. President, I shall take only 4 or 5 minutes, and then I will be ready to yield back the remainder of my time and have a vote on the amendment. I do not believe that the United States is an aggressive monster; nor do I believe for one moment that the United States is leading the parade in trafficking in armaments in order to cause aggression in the world, and in order to add to

the strife which already exists in the world. Nor do I believe that we are an uncivilized government because we give military aid to those who are trying to resist the bullying monster of communism trying to stay free.

Mr. President, if the Senate adopts this amendment today, it will have laid the foundation for destroying NATO. NATO is in sorry enough condition already, with the attitude of General de Gaulle. If we stop military aid to Turkey and Greece, whose peoples live directly under Russia and near China, we shall see the whole of the NATO complex dissolve and die.

America will then have to stand alone. We have not been giving military aid to Pakistan and India, as I understand, since last April.

I do not believe that the President of the United States is ready to give any further military aid if it does not serve the security of this country and the peace of the world. But, do not forget, Pakistan is still a member of SEATO and CENTO. To carry out the provisions of the amendment pending today, we would break SEATO and CENTO as well. America would once more stand alone against the new bully, Red China, which has already successfully set off two explosions of a nuclear device.

I realize that there are troubles in the world, but they are not of our making. The Kashmir problem is a thousand years old. We cannot solve it overnight. We are not happy about the conflict between Greece and Turkey over Cyprus. We have intervened as best we could to try to bring the strife to a halt. We are not a party to what is happening in Kashmir. That is a religious problem, a conflict of the ages. Yet we realize that we are caught in the paradox of our time. We are posed between perils.

Today, we are being placed in a position where we have to judge between two evils. The only reason why we sit on the court of judgment, as I said before, is that we wear the mantle of responsibility.

Does any believe that the man in the White House loves America less than does the Senator from Oregon?

Does anyone believe that the Senator from Oregon loves peace more than does President Johnson or did President Kennedy?

Let us face the facts of life, as they are.

There are many problems in the world that will take many long years to solve. Some of them may be insoluble in our lifetime. I am not happy about Kashmir. I am not happy about Cyprus; but, if we adopt the pending amendment, we will tear the free world apart in one stroke.

I do not believe that the Senate is ready to mete out that kind of judgment today.

Therefore, the pending amendment is a crucial one, and involves a great deal of drama and evokes much emotion.

There is the repeated question. Why should we help other nations which are fighting one another? The answer is

obvious. But look at the panorama of the world. Look at what has brought us to this point. Consider where we stand. Look at what we have to maintain and protect. We try to close the door to encroachment by the Soviets and by Red China. Do not give the key to the door to the Kremlin today. Do not give the key to the door to Peiping today. Khrushchev said at one time, "NATO is the bone in my throat." And today the Senate will remove that bone from the throat of the Kremlin if it votes the amendment. I hope the amendment will be defeated.

I yield back the remainder of my time.

Mr. JAVITS. Mr. President, before the Senator does that, will he yield me 3 minutes?

Mr. PASTORE. I yield 3 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I am chairman of a special committee of the NATO Parliamentarians' Conference which was created to encourage closer economic cooperation between Greece and Turkey. Notwithstanding the tensions and strains between those two countries and what is going on at this time, I believe we shall realize useful results from that project. In spite of the present Greek Government crisis, I believe that that trouble will be settled. There is also hope of settling the Cyprus problem.

In connection with this project of the NATO Parliamentarians' Conference, I have had an opportunity to travel to Greece and Turkey and to meet the leaders of the parties of both the Government and the opposition.

I shall vote against the amendment of the Senator from Oregon, notwithstanding that I have the greatest respect and affection for him, and with whom I am often aligned, because I believe it would be exactly the wrong way to deal with the sensibilities of these countries and the determination by both the party of the Government and the opposition party to stay, by and large, within the context of the free world, indeed, of the Western World.

It would be an unnecessary affront to these countries for the United States to spank them as though they were little boys quarreling with each other. Adoption of an amendment like this would say that we regard their nations not as adults, but as adolescents. We must regard them as adults. Therefore, in the exercise of the subtleties and delicacies of foreign policy, that decision should be left with the President. I would say that whether the President were a member of my party or that of the opposition party, as he is at this time.

Just as students rioted in Karachi against the USIS building because they instinctively felt that the United States was an influence in the balance of the U.N., I think we should instinctively feel that the U.N. has had a great victory. Let us not jeopardize it, the day after it has had such a victory, this country being the United Nations' greatest supporter, by spanking some of its participants. Perhaps they should be

spanked, but it would be unwise for us to do it.

Therefore, I hope, in the interest of the United States, that the amendment will be defeated.

I would not have stood and made this statement, were it not for the fact that I had this familiarity with the Greek and Turkish situation.

Mr. MORSE. Mr. President, I had not intended to make a further statement, but after hearing the Senator from Rhode Island and the Senator from New York, I would not want some student in the years ahead wondering why the Senator from Oregon had remained silent after hearing what I consider to be a chain of non sequiturs raised by the Senators from Rhode Island and New York. So I will make a rebuttal statement.

My friend, the Senator from Rhode Island, talked about SEATO and CENTO, to the effect that we would be undercutting our allies under those two pacts. What allies? How does one judge an ally? He judges an ally by whether or not an ally stands with him. Where have Pakistan and India been in regard to the crisis in southeast Asia? Outside, looking in.

The Prime Minister of Pakistan, standing in Washington, D.C., before the Washington Press Club some months ago, when asked whether they were going to be of assistance to us in Vietnam, at first made the categorical answer "No." Then he proceeded to say:

It is a U.S. problem, not a Pakistani problem. Our problem is with India.

The sad fact is that the SEATO Treaty has been naught but a worthless paper to the United States from the very time it was signed. What most people do not know is not contained in the SEATO Treaty, but controlling the administration of the SEATO Treaty is a protocol side agreement entered into whereby the parties agreed that, unless they were unanimous in a program calling for administration under SEATO, no country was obligated.

I have said in the Foreign Relations Committee and on the floor of the Senate many times that, in my opinion, the SEATO Treaty was an exercise in deception, and it has deceived the American people as to what it really can accomplish.

India is not a treaty ally at all, so nothing said by the Senator from Rhode Island about treaty allies applies to India.

CENTO likewise has been worthless to the United States.

But let me move to Greece and Turkey for a moment. I point out that neither the economy of Greece nor of Turkey could maintain the military establishments in those countries.

I happen to believe that we cannot justify a military program in a country if the economy of that country cannot maintain the military forces there.

The weapons we have supplied Greece and Turkey, the weapons we have supplied India and Pakistan, would be of no assistance to us whatsoever in case of a war with Russia or Red China.

What would be of assistance would be to keep the economies of India and Pakistan viable so that in a time of war with Russia, if that came, we would not have to be pouring into Pakistan and India the additional millions of dollars necessary for their economic assistance while we were in an all-out war with Russia.

In the event of a war with Russia neither Greece nor Turkey in the Mediterranean, nor Pakistan or India in Asia, would be of assistance to us in such a war, for it will be a nuclear war. It would be over in a relatively short time. Unfortunately, there will be no winner.

I am very much interested in the discussion of the Senator from New York about the economies of Greece and Turkey. They are very weak economies because so much of their economies are going into oligarchies. With respect to Turkey in particular, the Senator from New York, and I have stood shoulder to shoulder in trying to get the economic part of our program channeled into administration by the private segment of the economy. Much economic aid money going into Turkey is controlled, directed, and operated under a form of state socialism, and an incredibly corrupt and inefficient state socialism. Communist-style socialism could not be much more inefficient than the state socialism of Turkey, but we keep it going with our foreign aid subsidies.

As a liberal, I do not intend to support state socialistic enterprises in the economy. In Greece, instead of seeing conditions improve, we see a declining economy. Not only that, but we see now a Greece far removed from the Greece we helped after the adoption of the Truman doctrine.

The record is clear that the senior Senator from Oregon, sitting on the other side of the aisle at that time, spoke on the floor of the Senate for 2 days, and was the first Senator who supported President Truman in the Truman doctrine. It was needed.

The Truman doctrine, in my judgment, helped to give Greece the opportunity to become a free society, and was of great assistance to Greece in establishing the independence she had for a time prior to the present political debacle that now wracks that country.

The huge military aid program made possible the conflict over Cyprus, which in the process of undermining and destroying much of what had been accomplished with our economic aid.

Lastly, I wish to make a brief comment with regard to NATO, referred to by the Senator from Rhode Island. NATO cannot be preserved, and my amendment does not have the slightest connection with NATO. NATO will get a complete revision. The military aspects of NATO are almost passé. We need NATO and the military alliances in connection with it, but we need a NATO that is basically an economic alliance, for the need of NATO countries has become a need for economic alliance and not military alliance. Neither the House of Representatives nor the Senate can

save NATO from being drastically revised.

I am interested in the ad hominem references to the stands of the President of the United States and the senior Senator from Oregon. I say to my friend the Senator from Rhode Island [Mr. PASTORE] that the senior Senator from Oregon has never intimated nor suggested that he is more for peace than is the President of the United States. I am satisfied that the President of the United States is a man of peace. But I believe that in connection with military aid, and in connection with what I consider to be his unconstitutional, undeclared war in Vietnam, he is mistaken in judgment.

Have we really reached the point in the Senate where an argument is made that if the President wants something, we automatically vote for it, as a rubber-stamp?

I believe the President is dead wrong in regard to his position on military aid and much of foreign aid. I believe he is dead wrong in his position in regard to his undeclared war in southeast Asia.

I am perfectly willing to let the people of the country answer the question whenever they decide it is necessary to make clear what foreign policy shall be.

But my answer to those constantly seeking to give the impression that because one does not agree with the President, he must be wrong, is that foreign policy does not belong to him; it belongs to the people of this Country.

And Presidents have been wrong, they will be wrong occasionally in the future. That is why we have a Congress which is supposed to make a judgment of its own in these matters.

As a Senator representing the people of my State, I intend to continue the exercise of independent judgment on the basis of facts. However, when those facts do not support, the President, I do not intend to vote with him on an issue.

In my judgment, the facts relating to my amendment, do not support the President. Therefore, I urge adoption of my amendment.

Mr. PASTORE. I yield back my time.

Mr. MORSE. I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Maryland [Mr. BREWSTER], the Senator from Tennessee [Mr. GORE], and the Senator from New Hampshire [Mr. MCINTYRE] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from New York [Mr. KENNEDY], the Senator from Minnesota [Mr. McCARTHY], the Senator from Minnesota [Mr. MONDALE], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

On this vote the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from New York [Mr. KENNEDY]. If present and voting, the Senator from Maryland would vote "yea," and the

Senator from New York would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Nebraska [Mr. CURTIS], the Senator from Kansas [Mr. PEARSON], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT] would vote "yea."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Wyoming [Mr. SIMPSON] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 32, nays 54, as follows:

[No. 269 Leg.]

YEAS—32

Bartlett	Ellender	Morton
Bible	Fong	Mundt
Burdick	Fulbright	Pell
Byrd, Va.	Gruening	Randolph
Byrd, W. Va.	Hruska	Robertson
Church	Jordan, Idaho	Symington
Clark	Kennedy, Mass.	Talmadge
Cooper	McClellan	Williams, Del.
Cotton	McGovern	Williams, N.J.
Douglas	Montoya	Young, Ohio
Eastland	Morse	

NAYS—54

Aiken	Hill	Murphy
Allott	Holland	Muskie
Bass	Inouye	Nelson
Bayh	Jackson	Neuberger
Boegs	Javits	Pastore
Cannon	Jordan, N.C.	Prouty
Carlson	Kuchel	Proxmire
Case	Lausche	Ribicoff
Dirksen	Long, Mo.	Russell, Ga.
Dodd	Long, La.	Russell, S.C.
Dominick	Magnuson	Saltonstall
Ervin	Mansfield	Smathers
Fannin	McGee	Smith
Harris	McNamara	Stennis
Hart	Metcalf	Thurmond
Hartke	Miller	Tydings
Hayden	Monroney	Yarborough
Hickenlooper	Moss	Young, N. Dak.

NOT VOTING—14

Anderson	Kennedy, N.Y.	Scott
Bennett	McCarthy	Simpson
Brewster	McIntyre	Sparkman
Curtis	Mondale	Tower
Gore	Pearson	

So Mr. MORSE's amendment was rejected.

Mr. PASTORE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 2300) authorizing the construction, repair, and preserva-

tion of certain public works on rivers and harbors for navigation, flood control, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 5842. An act to amend the Lead-Zinc Small Producers Stabilization Act of October 3, 1961; and

H.R. 9221. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes.

RIVER AND HARBOR ACT OF 1965

Mr. McNAMARA. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2300.

The PRESIDING OFFICER (Mr. McGOVERN in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2300) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was, to strike out all after the enacting clause and insert:

TITLE I—NORTHEASTERN UNITED STATES WATER SUPPLY

SEC. 101. (a) Congress hereby recognizes that assuring adequate supplies of water for the great metropolitan centers of the United States has become a problem of such magnitude that the welfare and prosperity of this country require the Federal Government to assist in the solution of water supply problems. Therefore, the Secretary of the Army, acting through the Chief of Engineers, is authorized to cooperate with Federal, State, and local agencies in preparing plans in accordance with the Water Resources Planning Act (Public Law 89-80) to meet the long-range water needs of the northeastern United States. This plan may provide for the construction, operation, and maintenance by the United States of (1) a system of major reservoirs to be located within those river basins of the Northeastern United States which drain into the Chesapeake Bay, those that drain into the Atlantic Ocean north of the Chesapeake Bay, those that drain into Lake Ontario, and those that drain into the Saint Lawrence River, (2) major conveyance facilities by which water may be exchanged between these river basins to the extent found desirable in the national interest, and (3) major purification facilities. Such plans shall provide for appropriate financial participation by the States, political subdivisions thereof, and other local interests.

(b) The Secretary of the Army, acting through the Chief of Engineers, shall construct, operate, and maintain those reservoirs, conveyance facilities, and purification facilities, which are recommended in the plan prepared in accordance with subsection (a) of this section, and which are specifically authorized by law enacted after the date of enactment of this Act.

(c) Each reservoir included in the plan authorized by this section shall be considered as a component of a comprehensive plan for the optimum development of the river basin in which it is situated, as well as a component of the plan established in accordance with this section.

TITLE II—FLOOD CONTROL

SEC. 201. (a) The Secretary of the Army, acting through the Chief of Engineers, is authorized to construct, operate, and maintain any water resource development project, including single and multiple purpose projects involving, but not limited to, navigation, flood control, and shore protection, if the estimated Federal first cost of constructing such projects is less than \$10,000,000. No appropriation shall be made to construct, operate, or maintain any such project if such project has not been approved by resolutions adopted by the Committees on Public Works of the Senate and House of Representatives, respectively. For the purpose of securing consideration of such approval the Secretary shall transmit to Congress a report of such proposed project, including all relevant data and all costs.

(b) Any water resource development project authorized to be constructed by this section shall be subject to the same requirements of local cooperation as it would be if the estimated Federal first cost of such project were \$10,000,000 or more.

SEC. 202. Section 3 of the Act approved June 22, 1936 (Public Law Numbered 738, Seventy-fourth Congress), as amended by section 2 of the Act approved June 28, 1938 (Public Law Numbered 761, Seventy-fifth Congress), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said Act of June 22, 1936, shall apply thereto, and except as otherwise provided by law, the authorization for any flood control project authorized by this Act requiring local cooperation shall expire five years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interests shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

SEC. 203. The provisions of section 1 of the Act of December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress, second session), shall govern with respect to projects authorized in this Act, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

SEC. 204. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein. The necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations hereafter made for flood control so as to be ready for rapid inauguration of a construction program. The projects authorized in this title shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements. Penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this Act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

Saint John River Basin

The Secretary of the Army is hereby authorized and directed to make a survey for flood control and allied purposes of the Saint John River, Maine, separate and apart from

the Passamaquoddy Tidal Power Project, which survey shall include a detailed study of alternative methods of providing power, including thermal power development using nuclear energy, and to submit a report thereon to the Congress not later than March 30, 1966.

Housatonic River Basin

The projects for flood protection on the Housatonic, Naugatuck, and Still Rivers at Derby and Danbury, Connecticut, are hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 324, Eighty-eighth Congress, at an estimated cost of \$5,100,000.

New England-Atlantic coastal area

The project for hurricane-flood control protection at Westerly, Rhode Island, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 85, Eighty-ninth Congress, at an estimated cost of \$3,287,000.

Long Island Sound area

The project for hurricane-flood protection at Stratford, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 292, Eighty-eighth Congress, at an estimated cost of \$4,340,000.

Hudson River Basin

The project for flood protection at Yonkers, Saw Mill River, New York, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 258, Eighty-ninth Congress, at an estimated cost of \$1,924,000.

New York-Atlantic coastal area

The project for hurricane-flood protection and beach erosion control at East Rockaway Inlet to Rockaway Inlet and Jamaica Bay, New York, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 215, Eighty-ninth Congress, at an estimated cost of \$32,620,000.

The project for hurricane-flood protection and beach erosion control at Staten Island, Fort Wadsworth to Arthur Kill, New York, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 181, Eighty-ninth Congress, at an estimated cost of \$6,230,000.

Elizabeth River Basin, New Jersey

The project for hurricane-flood protection on the Elizabeth River, New Jersey, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 249, Eighty-ninth Congress, at an estimated cost of \$9,769,000.

Rahway River Basin, New Jersey

The project for flood protection on the Rahway River, New Jersey, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 67, Eighty-ninth Congress, at an estimated cost of \$1,514,000.

Neuse River Basin

The project for the Falls Dam and Reservoir, Neuse River, North Carolina, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 175, Eighty-ninth Congress, at an estimated cost of \$18,600,000.

The project for hurricane-flood protection at New Bern and Vicinity, North Carolina, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 183, Eighty-ninth Congress, at an estimated cost of \$10,400,000.

Middle Atlantic Coastal Area

The project for hurricane-flood protection and beach erosion control at Ocracoke Island, North Carolina, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 109, Eighty-ninth Congress, at an estimated cost of \$1,636,000.

Flint River Basin

The project for the Lazer Creek Reservoir, Flint River, Georgia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 567, Eighty-seventh Congress, at an estimated cost of \$40,378,000.

The project for the Lower Auchumpkee Reservoir, Flint River, Georgia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 567, Eighty-seventh Congress, at an estimated cost of \$48,275,000.

Central and Southern Florida Basin Comprehensive Plan

The comprehensive plan for flood control and other purposes in central and southern Florida approved in the Act of June 30, 1948 and subsequent Acts of Congress, is hereby modified to include the following items:

The project for flood protection in Hendry County, west of levees 1, 2, and 3, Florida, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 102, Eighty-eighth Congress, at an estimated cost of \$4,986,000.

The project for flood protection in Southwest Dade County, Florida, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 20, Eighty-ninth Congress, at an estimated cost of \$4,903,000.

South Atlantic Coastal Area

The project for hurricane-flood protection on Biscayne Bay, Florida, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 213, Eighty-ninth Congress, at an estimated cost of \$1,954,000.

Phillippi Creek Basin, Florida

The project for flood control on Phillippi Creek, Florida, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 156, Eighty-ninth Congress, at an estimated cost of \$4,592,000.

Lower Mississippi River Basin

Comprehensive Plan

The project for flood control and improvement of the lower Mississippi River, adopted by the Act of May 15, 1928 (45 Stat. 534), as amended and modified, is hereby further modified and expanded to include the projects and plans substantially as recommended by the Chief of Engineers in House Documents Numbered 308 and 319, Eighty-eighth Congress, at an estimated cost of \$181,109,000, and the authorization for the lower Mississippi River project is hereby increased accordingly, except that (1) any modified easements required in the improvement of the Birds Point-New Madrid, Missouri, Floodway shall be acquired as provided by section 4 of the Act of May 15, 1928, (2) the pumping plant in the Red River backwater area shall be operated and maintained by the Corps of Engineers, (3) the recommendations of the Bureau of the Budget shall apply with respect to improvements for fish and wildlife, and (4) the requirement of local cooperation for the improvements in the Saint Francis Basin, Arkansas and Missouri, shall be the same as is required by paragraph (q) under the heading "Lower Mississippi River"

in section 10 of the Flood Control Act of 1946.

The project for the Saint Francis River, Missouri and Arkansas, within Drainage District No. 7, Poinsett County, Arkansas, is hereby modified substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 57, Eighty-ninth Congress, at an estimated cost of \$1,372,000.

General Projects

The project for hurricane-flood protection at Grand Isle and vicinity, Louisiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document Numbered 184, Eighty-ninth Congress, at an estimated cost of \$5,500,000.

The project for hurricane-flood protection at Morgan City and vicinity, Louisiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 167, Eighty-ninth Congress, at an estimated cost of \$3,049,000.

The project for hurricane-flood protection on Lake Pontchartrain, Louisiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 231, Eighty-ninth Congress, except that the recommendations of the Secretary of the Army in that document shall apply with respect to the Seabrook lock feature of the project. The estimated cost is \$56,235,000.

Ouachita River Basin

The project for flood protection on the Ouachita River at Monroe, Louisiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, in House Document Numbered 323, Eighty-eighth Congress, at an estimated cost of \$520,000.

Red River Basin

The proviso in the paragraph under the center heading "Red River Basin" in the Act of December 30, 1963 (77 Stat. 840, Public Law 88-253) relating to the Waurika project, Oklahoma, is amended to read as follows: "Provided, That the Secretary of the Army, acting through the Chief of Engineers, is authorized to acquire lands and interests therein required for the establishment of a national wildlife refuge at the reservoir as described in Senate Document Numbered 33, Eighty-eighth Congress, at an estimated cost of \$418,000, whenever the Secretary of the Interior approves the establishment of such a refuge."

The project for flood protection on Bayou Bodcau and tributaries, Arkansas and Louisiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 203, Eighty-ninth Congress, at an estimated cost of \$1,524,000.

The project for Caddo Dam and Reservoir, Louisiana, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers, as modified by the Secretary of the Army, in Senate Document Numbered 39, Eighty-ninth Congress, at an estimated cost of \$1,934,000.

The project for Sanders, Big Pine, and Collier Creeks, Texas, as authorized in the Act of October 23, 1962 (76 Stat. 1187), is hereby modified in order to provide for a highway crossing Pat Mayse Reservoir to replace the present FM Highway 1499 across Sanders Creek, at an estimated cost of \$310,000. Such crossing shall be constructed under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with such plans as may be recommended by the Chief of Engineers.

Gulf of Mexico

The project for flood protection on the Buffalo Bayou and tributaries, White Oak

forcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law.

"(b) Such bonds may be sold at not less than par after public advertisement for bids to be opened publicly at the time and place stated in such advertisement and at the price bid which will yield the greatest return to the commission for the bonds to be sold. Such advertisement for bids shall be published at least once each week for at least two consecutive weeks in a newspaper or financial journal having recognized circulation among bidders for bonds of the type and character offered. The price to be paid for the bridge or bridges acquired hereunder shall not exceed the reasonable value thereof as determined by the commission at the time of acquisition. The cost of the bridge to be constructed as provided herein, together with the approaches and approach highways, shall be deemed to include interest during construction of the bridge and for twelve months thereafter, and all engineering, legal, financing, architectural, traffic surveying, condemnation, and other expenses incident to the bridge and the acquisition of the necessary property, including the cost of acquiring existing franchises and riparian rights relating to the bridge, as well as the cost of abandonment or dismantlement of any existing bridge to be replaced thereby. If the proceeds of the bonds shall exceed the cost as finally determined, the excess shall be placed in the fund hereafter provided to pay the principal and interest of such bonds. Prior to the preparation of definitive bonds the commission may, under like restrictions, issue temporary bonds or may, under like restrictions, issue temporary bonds or interim certificates without coupons, of any denomination whatsoever, exchangeable for definitive bonds when such bonds that have been executed are available for delivery."

(c) Subsection (a) of section 8 of such Act of December 21, 1944, as amended, is amended by striking out "the bonds and interest," and inserting in lieu thereof: "the bonds, the notes issued under section 5 of this Act, and the interest,".

(d) The right to alter, amend, or repeal this section is hereby expressly reserved.

SEC. 314. The Act entitled "An Act creating the Muscatine Bridge Commission and authorizing said Commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near the city of Muscatine, Iowa, and the town of Drury, Illinois", approved July 28, 1956 (70 Stat. 669), as amended by the Act of April 27, 1962 (76 Stat. 59), is amended by inserting immediately after section 14 the following new section:

"SEC. 15. The Commission and its successors and assigns are authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River at or near the city of Muscatine, Iowa, and the town of Drury, Illinois, subject to the provisions of this Act; except that the authority granted by this section shall cease and be null and void unless the actual construction of such bridge is commenced within three years and completed within five years from the date of enactment of this section."

SEC. 315. The Secretary of the Army shall transmit to the Committees on Public Works of the Senate and the House of Representatives not later than June 30, 1968, a suggested draft of legislation revising and codifying the general and permanent laws relating to civil works projects by the Corps of Engineers for navigation, beach erosion control, flood control, and related water resources development. The Secretary shall also submit a report explaining the proposed legislation, and making specific reference to

each change in or omission of any provision of existing law.

SEC. 316. The Secretary of the Army, acting through the Chief of Engineers, shall make a study of the need for, and the feasibility of, the Federal Government reimbursing States, political subdivisions thereof, and other public entities, for expenditures incurred by them in connection with authorized projects for improvement of rivers and harbors and other waterways for navigation, flood control, hurricane protection, beach erosion control, and other water resources development purposes, to the extent that such expenditures are incurred after the initiation of the survey studies which form the basis for such authorized projects. The Secretary shall report to Congress, not later than January 31, 1967, the results of such study together with his recommendations in connection therewith.

SEC. 317. Title III of this Act may be cited as the "River and Harbor Act of 1965".

Mr. McNAMARA. Mr. President, I move that the Senate disagree to the amendment of the House and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. McGOVERN in the chair) appointed Mr. McNAMARA, Mr. RANDOLPH, Mr. MUSKIE, Mr. GRUENING, Mr. MOSS, Mr. COOPER, and Mr. FONG conferees on the part of the Senate.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1966

The Senate resumed the consideration of the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. MORSE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 25, it is proposed to strike out "\$1,170,000,000" and insert in lieu thereof "\$878,000,000".

Mr. MORSE. Mr. President, on my amendment I ask for the yeas and nays. The yeas and nays were ordered.

Mr. MORSE. Mr. President, the amendment would reduce the amount to be appropriated for military assistance by 25 percent. It would reduce the appropriation from \$1,170 million to \$878 million. The amendment would leave to the discretion of the President the way in which he would apply the reduced amount.

I would be willing to apply to economic assistance the amount saved by a reduction of military assistance. That would mean that approximately \$292 million additional would be available for economic assistance. I say to the administrators that \$292 million for economic assistance would be worth billions in good will and understanding.

I hope that there will be a reduction in the wasteful, inefficient military aid program. Again, I merely cite and stand on the authority of the reports of the Comptroller General of the United

States which, over the years, have been filed with the Senate, but which I fear too few Senators have read, although I bring them to the floor of the Senate each year.

I have presented other Comptroller General reports on the floor of the Senate each year and called them to the attention of the Senate. As I said in my speech last night, the reports this year measured over 24 inches high. Each report is the dimension of Time magazine so far as the size of the report is concerned. The reports contain devastating findings in regard to the inefficiency and waste and the cause of corruption in both our military and economic aid all around the world.

Most reports on military aid are marked "confidential" and "secret." We cannot make them available to the American people, who are entitled to know what is contained in the reports. However, under the rules I have been able in the last 2 years to read the titles of the reports. The titles will be found in the speeches that I made against foreign aid this year. All one has to do is to read the titles. Let me say that the contents of the reports bear out the titles. The titles indicate very clearly the great abuse that exists in connection with foreign aid.

The Comptroller General in testimony this year spoke of the serious criticism of the Comptroller General's findings in regard to the Defense Establishment in respect to the military foreign aid. All I ask is that we start to eliminate this great waste.

My proposal to reduce the military aid by 25 percent would not at all, in my judgment, weaken either the security of the United States or the security of any ally, real or potential.

Next year, when the foreign aid bill is before us, I hope that I shall be able in good conscience to recommend an increase in economic aid, not only by the dollar amounts that I am seeking to eliminate from military aid now, but also, if Congress would go along with an economic aid program—based not on a giveaway program, based not on a soft currency program to any degree, based not on a program that involves too high a percentage of grants—based upon an economic program related to hard loans dealing with economic projects that would help raise the economic standard of living of the people, and help the beneficiaries of those projects. I would be willing to vote \$2 in that kind of economic aid for every dollar of savings that we make for the American taxpayer in military aid.

In my judgment our military aid is not helping to protect freedom. It is helping to spread communism in the world. If the \$292 million is spent for military assistance, in my judgment it will buy the American people the equivalent of billions of ill will. It is time now for us to start the process of trimming military assistance at every opportunity.

If we were ever to begin to reduce these military appropriations and shift them to economic development purposes, I would still insist that new economic aid be handled on a better basis than is now the case. However, in case someone

may not fully understand my amendment, my amendment bears no relationship whatever to any expenditures in South Vietnam. My amendment would leave it to the President to distribute the savings in military aid.

I well know, Mr. President, that if we continue this unconscionable war in South Vietnam, we shall have to appropriate hundreds of millions, and probably billions of dollars, in the next few years to give adequate protection by way of equipment and supplies to American boys who have been sent over there to fight, and many of them to die, in this undeclared war.

A few weeks ago in the debate on the defense appropriation budget, some Senators were raising the question, "I wonder what the senior Senator from Oregon is going to do now. It will be interesting, will it not, to see whether the senior Senator from Oregon will vote for this military appropriation bill." I answered those Senators who thought they were raising an embarrassing argument. I said that I would continue to do everything I could to try to get my country to change its ill-advised course of illegal warmaking in southeast Asia. However, as long as we are sending boys into Asia to die for a cause that I think we never should have started in the first place, I intend to vote for whatever appropriations are necessary to give them the maximum amount of protection. I intend to continue working as hard as I can, and later today I shall have some comments on a law memorandum, prepared by a group of American lawyers, which soundly criticizes—and sets forth the legal answers in support of its criticism—America's position in southeast Asia from the standpoint of our international law obligations.

Mr. President, I oppose the war in southeast Asia in the absence of a declaration of war until the President of the United States decides to get back inside the Constitution of the United States and decides that he has an obligation to live up to the obligations of the Constitution. Woodrow Wilson taught that lesson on the night of April 17, 1917, when he came before a joint session of the Congress and told Congress that he was without constitutional authority as a President of the United States to conduct a war in the absence of a declaration of war. Franklin Roosevelt taught the present President of the United States—if he would learn the lesson—when he came before a joint session of the Congress after Pearl Harbor and made it perfectly clear that, under the Constitution, the President of the United States is obligated to recommend a declaration of war before sending American boys to die in a war.

That has been my position as I have battled away on the floor of the Senate for more than 4 years for the substitution of a rule of law for the jungle law of the claw that my Government is applying in an undeclared war in southeast Asia.

Let me make it very clear that my amendment would not in any way affect the expenditure of funds in southeast Asia in the protection and defense of

American boys. However, it would say to the President, "Mr. President, we think the military aid program contained in this bill is excessive, and we vote to reduce it by 25 percent; but we leave it up to you to make the decisions as to where the savings in military aid shall be made."

The interests of the United States demand that we stop arming the world against itself, that we start helping people to better their lives, and, finally, that we provide the help not on a dole basis, but on the basis of giving recipients a chance to be proud of their own effort toward self-help.

It was necessary for the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT] to leave the floor of the Senate momentarily because of official business elsewhere. If he were present, he would verify what I now say. I see the Senator from Idaho [Mr. CHURCH], and the Senator from Missouri [Mr. SYMINGTON], both of them members of the Committee on Foreign Relations, present on the floor.

The objectives of the amendment I am offering this afternoon were discussed at great length time and time again in the Committee on Foreign Relations during this session. For example, on April 1, 1965, the Committee on Foreign Relations, while considering a markup on the foreign aid bill, voted by a vote of 11 to 3 to cut the military aid section of the bill by \$115 million.

The Pentagon went to work. We received calls from their top lobbyists, seeking to restore the \$115 million.

An interesting discussion ensued. At a later meeting of the Foreign Relations Committee, a motion to reconsider was made. It was perfectly proper to make it. After a long discussion, the \$115 million was restored, by a vote of 10 to 8. By a vote of 10 to 8, but with a considerable number of proxies used in getting the vote of 10 to restore it.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CHURCH. I am highly pleased that the Senator from Oregon has brought this matter up once again. He is quite right when he observes that the reversal of the committee's initial action, in this particular case, was brought about by the use of proxies from Senators who did not have the full benefit of the discussion that had preceded the first action taken by the committee.

The distinguished Senator from Oregon will remember that when the authorization bill came to the Senate, I attempted to amend the bill on the floor, as we had initially amended it in the committee, and that effort failed on a vote of 43 to 38, but only after a determined effort was made by the State Department and the Pentagon against the amendment.

The argument that was then made by those who favored the amendment had to do with the very matter that the senior Senator from Oregon has stressed on the floor this afternoon, namely, that to enlarge the military assistance program, as was proposed, could only mean

that greater quantities of armaments would be given to countries which would not use the weapons as a shield against potential Communist aggression, but rather against one another. We have seen this happen in the recent war between India and Pakistan.

In the new issue of Newsweek magazine, we read of the first repercussions of our policy of arming India and Pakistan. It is apparent that the harvest will be bitter.

Newsweek quotes an Indian officer in the field, fresh from battle, saying:

Everything we have captured is made in the U.S.A.—first-aid kits, sleeping bags, parachutes, weapons, bullets, and tanks.

Before we are finished, we shall find both India and Pakistan pointing to the United States as the scapegoat. I commend the Senator from Oregon for the effort he is making to cut back a program which, in the estimate of the senior Senator from Idaho, has done us damage in many parts of Asia, Africa, and Latin America. He knows that some of us on the committee have attempted to hold the line, to cut the program back, and to impose a reasonable ceiling on it; and it has always been a very frustrating fight, but a fight that must be made. If ever there was dramatic proof of the soundness of that fight, it was laid out upon the battlefields of Kashmir.

So I commend the Senator. I believe he has reviewed very well the situation in the Foreign Relations Committee. I thank him for his efforts in vindicating the position we took then and the position that we take again in the Senate this afternoon.

Mr. MORSE. Mr. President, I thank the Senator from Idaho for the position he has taken in support of this view. The RECORD should show that the senior Senator from Idaho, as much as any other Senator on the Foreign Relations Committee, has been out in front of the effort to cut military aid. Time and time again, the Senator from Idaho has offered amendments in the committee seeking to cut the military aid program. In debates on the Senate floor, when the foreign aid bill has been before us over the past several years, the senior Senator from Idaho has been among those offering amendments to cut the military aid part of the bill. He is very kind to commend me for my efforts. The Senator from Idaho has been one of my leaders on this matter, as we have joined forces in the Foreign Relations Committee, trying to bring what we considered to be reason to bear with regard to the military aid program.

I yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I shall support the pending amendment, as I have supported the other amendments of the Senator from Oregon this afternoon. He is dead right in his effort to cut military aid to Latin America, India, Pakistan, Greece, Turkey, and southeast Asia, for the reasons so eloquently stated by the Senator from Oregon and the Senator from Idaho.

However, I wish the RECORD to show that I do not go along with the Senator in his efforts to cut economic aid. I be-

lieve the United States is serving its own best interests, as well as meeting a compassionate obligation as the greatest and richest country in the world, by maintaining a substantial economic aid program. I do not wish to get into an argument with my friend from Oregon, but I wish to state that I support him wholeheartedly in his military aid position.

Mr. MORSE. I thank the Senator from Pennsylvania very much. There is one difference between us as to economic aid; that is as to how we can improve it. I believe that we should be voting more money for economic aid. The Senator from Pennsylvania could carry me along, if he could be a little more successful in convincing the majority of the committee that we could do something about making economic aid more effective.

Mr. SYMINGTON. Will the Senator yield?

Mr. MORSE. I yield to my friend from Missouri.

Mr. SYMINGTON. First, I would commend the able senior Senator from Oregon for the conscientious and intensive analysis he has given the program in recent years. My interest in said program was aroused by his discussion in the past of the so-called soft loan window of the World Bank, the International Development Association. To my best recollection, the rationale presented for creating that soft loan window was that although not too much money was required in the future in Europe and Asia, considerable would be needed in South and Central America. As developed by the Senator from Oregon, 60 percent of all the aid in IDA loans the previous year had gone to India, and 80 percent had gone to India and Pakistan. Actually, only one loan, and that a relatively small one, went to a Caribbean country.

As a result, many of us voted against increasing the amount available to this soft loan window, IDA.

Then there is the soft loan window of the Inter-American Development Bank, the Social Progress Trust Fund.

And as I understand it, we are now planning to set up a new bank for the Far East. I hope this bank will not also have a soft loan window.

Mr. MORSE. Mr. President, I doubt if it will even be soft currency. It will probably be script or coupons.

Mr. SYMINGTON. That might well be the case. I back the apprehension of the able Senator from Oregon because the last great power left in the world capable of resisting totalitarianism lies in the American economy. In our way of life our physical strength can come only from economic strength.

For nearly 15 years, in every year since 1949 except 1957, we have run a heavy unfavorable balance-of-payments deficit. If this is not corrected, and corrected soon, the value of the dollar could be jeopardized.

If that should happen, in turn it could be the greatest single economic action against what is best for all free people.

Mr. MORSE. I thank the Senator from Missouri very much. As he knows, he has offered amendments and I have cosponsored his amendments to carry out his objectives, seeking to improve

foreign aid from the standpoint of what mismanagement of foreign aid is doing to the whole balance-of-payments problem that confronts us.

Mr. SYMINGTON. I pay tribute—and I know the Senator from Oregon does also—to the able present Administrator, David Bell. The fact is, however, that personnel handling our foreign programs has grown in this century from under 100 to many thousands. As the Senate knows, I do not believe the State Department has given full and adequate recognition to the importance of training all this new personnel necessary to handle such vast programs.

That is another reason I join the Senator in his apprehension. But the chief reason to me is the growing problem of our monetary position.

Let me again commend him for the thorough work he has done in this field.

Mr. MORSE. The best way to give David Bell a hand is to change our policy on foreign aid so that he can administer a foreign aid program under a policy which is defensible.

I close by saying that if we are to have a military aid program, it should be greatly reduced under its present level. If we are to provide help, it should be provided not on a dole basis, but on the basis of giving the recipient country an opportunity to be proud of its own efforts toward self-help.

There should be a great reduction in the grant features of the military aid program. I do not believe that we should be helping to build up a military machine, or a program, in any country that is beyond the level its economy can support.

By following the course of action we are following in Greece and Turkey, Pakistan, India, and other countries, where we are pouring in aid beyond the ability of those countries to support it from their economic resources, we shall weaken their economic fabric. Instead of helping them, we shall be injuring them. We shall be playing into the hands of the leftist elements which are a constant threat to the survival of free governments in those parts of the world which we wish to sustain.

If a war comes, they will be able to fight only to the extent that the United States decides to pour billions more into their economies and defense establishments.

The way to sustain them is not by way of military aid, but the way to sustain them is to do something to help their people enjoy the fruits of economic freedom.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McGovern in the chair.) The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, needless to say, I am opposed to the pending amendment. One prime fault I find

with it is, Why the \$292 million figure? Why not make it easier for bookkeeping purposes and make the figure \$300 or \$400 million? Make it an even figure.

The rationality being used is that the percentage is 25 percent. Why 25 percent? Why not make it 30 percent? Why not make it 35 percent?

Vote against the whole program, if we wish to do so.

No Senator yearns more for peace than I do.

I have been a member of the Joint Committee on Atomic Energy since 1953, and I have followed all the discussions with Russia with reference to the Nuclear Test-Ban Treaty. I was one of those designated by President Kennedy to go to Moscow to witness the initialing of the Nuclear Test-Ban Treaty.

Mr. President, no Senator longs more than I for the day when we can convert all of our guns into plowshares. But, we live in a sorely troubled world. We live in a world where we are becoming more and more conscious of the fact that we cannot stand alone, that the responsibility is not ours alone, but that of many other friends and allies who have their own internal problems as well.

The figure that was submitted to Congress and attested to by the Chairman of the Joint Chiefs of Staff—men who are responsible for the security of this country—was \$1,170 million. That is the figure which was given in the House, which was scrutinized and studied by the House, and finally came over to the Senate. The Senate held hearings on it day in and day out.

I must regretfully say that there were times in committee when I stood alone, almost as I stand alone on the floor of the Senate today.

I have often wondered why the chairman of the full committee chose me to be the Senator in charge of the foreign aid bill.

When I listen to the Senator from Oregon [Mr. MORSE], whom I have admired and respected, and with whom I have stood shoulder to shoulder on many common problems, when I see my own colleagues such as the Senator from Pennsylvania and the Senator from Idaho falter by the wayside, I begin to wonder.

They must have picked me out because they figured I was so small a fall would not hurt me that much.

This is a thankless job, one might say. But, it is an important job.

The Senate is a body of 100 Senators. We can guess today and be wrong and take another guess tomorrow. But the man who sits in the White House has to be right the first time. He does not have a second guess. He is responsible for the security of the Nation. And today he is entrusted with the responsibility of insuring peace in the world. I am beginning to feel that there are some Senators who have an idea that the military assistance program is a Santa Claus program, a giveaway program. That is primarily where the misconception lies. Remember, for every gun that is shouldered by a Greek or a Turk or anyone else to whom we give military aid it means that an American boy does not have to go there.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. GRUENING. Does the Senator apply this argument to the military aid that has been given to India and Pakistan? Does he think that is a worthy cause? Does he think it has worked out there? The aid was given to them to fight communism—Red China. Does the Senator approve that program as it has worked out in fact? Should we continue to give them such aid when they use it to fight each other? The only reason they have stopped fighting now is that we have temporarily withdrawn the military aid.

Mr. PASTORE. The Senator speaks as if the Kashmir problem was started by the Senator from Rhode Island. I have nothing to do with that problem. That problem has to do with the Moslems and the Hindus. But when we began to give aid to Pakistan after World War II under Harry Truman, and we continued it under Dwight Eisenhower, and under John F. Kennedy, and continued it under Lyndon Johnson, why did we do it? Because we wanted Pakistan to fight India? Of course not.

Mr. GRUENING. How has it worked? It has not.

Mr. PASTORE. Wait a minute. The Senator asked me a question. I will give him a full answer. If I am remiss in any way, the Senator may ask me another question.

We gave all this money to that country because we wanted to stop the onslaught of communism. I am saying to my distinguished friend from Alaska, Stop the military aid program and creeping communism will become galloping communism.

It is easy enough to stand here and condemn. I do not like the conflict. But does the Senator ever stop to think that it was the benevolence of the United States toward Ayub Khan, Shastri, and Nehru that made them listen and satisfy the demand of the United Nations, so that today we have a cease-fire in effect? If that result cost every single dollar we gave, it was worth the price. If the mood we inspired the other day and yesterday, which brought about a cease-fire and will cause the United Nations to bring about a negotiated peace in Vietnam, it will be worth every American dollar that has been spent.

Oh, yes, India did fight Pakistan. And who likes it? I do not like it. What did we do? We stopped giving them military assistance.

Mr. GRUENING. Correct at long last.

Mr. PASTORE. We stopped it. But the President has said—and do not forget, he cannot afford to be wrong—"Do not take the aces out of my deck now." That is what the Senator is suggesting today. He is taking the aces out of the deck and putting the jokers in.

Mr. GRUENING. I have not done that.

Mr. PASTORE. The Senator is trying to do it, when he votes "yea" on this amendment.

Mr. GRUENING. The Senator is quite mistaken.

Mr. PASTORE. That is a difference of opinion.

Mr. GRUENING. I will tell the Senator what I am going to propose when he is through.

Mr. PASTORE. That is a difference of opinion. I am saying to my colleagues that this is a meataxe cut. They did not analyze it. They merely said, "Knock off 25 percent. Let the President take it off where it pleases him. Let the President stay up until 12 o'clock, 1 o'clock, 2 o'clock, 5 o'clock, 6 o'clock, to figure out where he is going to take out the \$292 million." They did not even make it easy for him by providing a \$300 million cut. He would not have had to figure it so closely, because a \$300 million cut would have been easier. So he has to figure out where he is going to cut the \$292 million. Why? Because the Senator from Oregon has never agreed with the Vietnam policy, and has not agreed with the foreign aid program. He has a perfect right to disagree. Does not the Senator think I like an economic program better than I like a military assistance program? Does not the Senator believe that I, with three children, look forward to that bright day of peace? Of course I do. My boy's service time is on the verge now. His medical studies will be finished soon. There is nothing bellicose about me. Does the Senator think I am trying to promote the trafficking in arms by the United States of America? Of course not.

But we have a difficult task. We are living in a world in ferment. As I have said before, these problems have their genesis in a time before this country was a republic. Because those problems have not been straightened out overnight, some of us will not wait and work for the dawn of another day. But the Senator has one thing on his side. If he is wrong today, he can make another guess tomorrow. That is the privilege of a Senator. That is not the prerogative of the President, whether it be President Johnson, President Kennedy, President Truman, or President Eisenhower.

The bill was voted on from June 7 until June 14. This question was thrashed out. This is a warmed-over tune today. It is the same record. We play it over and over and over again. The Senator puts it in here, and it comes out there. It is the same old story.

I find no pleasure in this particular responsibility, the management of this bill. I do my duty, according to my good conscience, as well as I can. I did not even shed a tear when the bill was cut by \$50 million. I thought, if that is the conscience of the Senate, let it be. When the Senate refused to cut \$25 million, or 30 percent, from military assistance to Latin America, and that cut was rejected by two votes, I did not jump with joy. There was no occasion for it. Here we are. The decision is that of Senators. I have done my job as best I could. Now the Senator summarily tries to cut it 25 percent, and the only argument he has is this: Let the President sweat it out and worry where he is going to take it off. If we cut it down this much, the administration will have to do a better job.

If that is the way the Senator feels about it, why not cut it all out? If we cannot take the word of the Joint Chiefs of Staff, if we cannot take the word of the Commander in Chief, whose word are we going to take? To whom will the American people look? To whom will the free world look if the free world cannot look to the Chief Executive of the United States?

I am not saying or pretending for one moment that we should be a rubber-stamp. But we have already acted on this matter. We did it several months ago. We went over all this in committee. Not a single Member of the Senate came before the committee to testify. They were saving their salvos for the floor. Now we are at the Rubicon. We either cross—or turn back from decision and destiny.

Mr. President, I yield back the remainder of my time.

Mr. GRUENING. Mr. President, I want to say that I have listened to the wonderful eloquence of my colleague, the Senator from Rhode Island, but I do not agree with what he said. He said we went through this months ago. But something happened only a few days ago. That was that the arms which we had been pouring into India and Pakistan for years to help them resist possible Chinese aggression were used to fight each other. We had been saying that they would do that, but we did not have the proof that this was being done until then. The lavish aid was not being used for the purposes intended. It is not being used to fight communism. It is being used to fight each other.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GRUENING. May I finish my statement?

Mr. PASTORE. Very well.

Mr. GRUENING. Right now, while we have been pouring in this money, Pakistan is steadily moving closer to Red China.

Is the Senator from Rhode Island prepared to face the fact that the situation has changed, and that if we temporarily cut down this program to see whether they behave themselves for the next year, if it seems advisable, it can and should be done?

As the distinguished senior Senator from Idaho [Mr. CHURCH], pointed out, the tanks, guns, sleeping bags, ammunition, equipment, and everything found on the field of battle in the tragic war between Indian and Pakistan, now suspended, was of American make.

Why did they stop fighting? It was not because we have been giving them aid, but because we suspended it. If we restore aid now they are likely to resume fighting.

Mr. PASTORE. The amount in the bill is \$1,170 million. The Senator would cut it by 25 percent, not taking it from India or Pakistan, according to this amendment. The amendment that would have affected these two countries was rejected.

There is nothing in the bill that prohibits the President, the State Department, or the Military Establishment of

this country from using the money for that purpose.

I say to the Senator that there would have been the Kashmir problem even if we had given no military assistance. We did not give them arms to fight over Kashmir. They might have been fighting with broomsticks.

Mr. GRUENING. That would have been better.

Mr. PASTORE. That is all right. But the fact is that if Peiping saw they had broomsticks they might have moved in and taken over. Where would we be if India were taken over by Red China? Does that not give the Senator concern? Of course it does. There are over 500 million people there. If we can save that country we are going to save it.

We shall have many aches and pains. Things are not always going to come out our way.

I am not condoning the fight between Pakistan and India. All I am saying is, thank God, as a result of the cease-fire, there may be a rule of benevolence for those people. It helped there and it may be that it will help in Vietnam.

That is all I am saying. I do not condone the fighting between Pakistan and India. The President made a strong plea that we not give this help and military assistance unless we are sure it is going for the peace of the world. He made that statement. I am willing to trust him.

We have not been giving them military aid or even economic relief since July. The only thing we gave was help under Public Law 480.

If a little economic aid at this point can bring about tranquility in that part of the world that is in ferment, with Red China grasping every chance she gets, does not the Senator think we have something to lose?

Does the Senator believe the Secretary of Defense is Santa Claus, giving this money away? Does the Senator think the four Presidents under whom we served want to give it away?

We are not satisfied with everything that has happened. But mankind is complex. With a little calmness and patience and little help, perhaps this program can save the world when it could have been destroyed by fire.

Mr. GRUENING. I have one word to say. This amendment is moderate. It cuts 25 percent from the overall amount.

The PRESIDING OFFICER. Will the Senator suspend while the Chair determines who yields time?

Mr. PASTORE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 10 minutes remaining.

Mr. PASTORE. I yield 5 minutes to the Senator from Alaska.

Mr. GRUENING. I thank the Senator from Rhode Island. I do not need that much time.

Mr. PASTORE. The Senator may use whatever time he needs.

Mr. GRUENING. We have a far-flung military program of over \$1 billion. All this amendment would do would be reduce it by 25 percent, giving the Presi-

dent the opportunity to decide where the reduction should be made. It is easy for him to decide. He should withdraw military aid from India and Pakistan for a few months until it is clear that they are not going to resume their folly, and in Latin America where would-be dictators are attempting to overturn established governments.

Does not the Senator believe we in the Congress have something to say in this matter? Is it not about time that we stood up and be counted to show how we feel? Are we going to give a blanket endorsement to everything that comes from the Pentagon? I say, "No." It is time that we show we have an opinion, and that we object to continuing past follies.

Mr. MORSE. Mr. President, I shall use my remaining time.

I judge from the remarks of the Senator that he does not like the legislative process of the Senate because he is concerned and disturbed about the fact about leaving to meet the issue again in connection with the passage of the appropriation bill. After we go through all the process of passing an authorization bill we go through the process of appropriation.

The Appropriations Committee has available to it the entire record that has been made in connection with the authorization bill.

If it is said that people have not come in to testify, the answer is that judicial notice can be taken of the fact that every member of the Appropriations Committee was well versed, on the basis of what had been submitted, on the authorization bill and the discussion of it, and what the criticisms of the military aid and economic aid programs were.

Let us not worry about the problem that would be presented to the President of the United States in making the reductions. The Senator from Alaska [Mr. GRUENING] has alluded to the aids that are available to the President. He has available to him also what the record shows to be the unconscionable and inexcusable waste of military aid in country after country. If he followed only the recommendations of our own Comptroller General, he could save much more than the 25 percent that is covered by the pending amendment.

The President of the United States has a responsibility, as the Commander in Chief, if Congress decides that we ought to cut back on military aid, to proceed to make the cut in accordance with the decision of Congress. That is our legislative process. It becomes the duty of the President of the United States.

Let us not worry about his problem in regard to it.

In my first speech this afternoon, and in other speeches I have made on foreign aid, I have already pointed out what is in the pipeline. We could cut 25 percent, the amount called for in my amendment, and we would still not spend in those countries what will be remaining in the pipeline.

As I said earlier, this has nothing to do with Vietnam.

The issue is whether the Senate at every point in the legislative process,

when we are called upon to vote, will again consider the facts involved in this issue.

I cannot escape the conclusion, when listening to the Senator from Rhode Island, that he believes, once we vote on the authorization bill, that ought to be the end of it and that we should accept without question what comes to the Senate from the Appropriations Committee.

That is not our legislative process. We still retain—and sometimes I wonder how much—some check on the Appropriations Committee. However, after I have listened to some of the managers for various bills in the Senate, I wonder if we are not guilty of some kind of wrong if we question the decision of the Appropriations Committee, and do not take it for granted when the Appropriations Committee brings to the floor of the Senate a bill and its report.

Lastly, Mr. President, we have all heard the representatives of the Appropriations Committee and some Foreign Relations Committee representatives, talk about the thankless job on the floor of the Senate of handling foreign aid authorization bills and foreign aid appropriation bills.

I wonder if their moans and groans are not occasioned by the fact that they cannot defend the present AID program, then find little good to say for it, and that is why they consider it a thankless job.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. PASTORE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. GORE], and the Senator from New Hampshire [Mr. MCINTYRE] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from New York [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Minnesota [Mr. MONDALE], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from New York [Mr. KENNEDY] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Nebraska [Mr. CURTIS], the Senator from Kansas [Mr. PEARSON], the Senator from Wyoming [Mr. SIMPSON], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Massachusetts would vote "nay."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Wyoming [Mr. SIMPSON] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Texas would vote "nay."

The result was announced—yeas 30, nays 56, as follows:

[No. 270 Leg.]

YEAS—30

Bayh	Ervin	Morse
Bible	Fannin	Mundt
Burdick	Fong	Nelson
Byrd, Va.	Fulbright	Proxmire
Byrd, W. Va.	Gruening	Randolph
Church	Hruska	Robertson
Clark	Jordan, Idaho	Russell, Ga.
Cotton	Long, La.	Symington
Douglas	McClellan	Talmadge
Ellender	McGovern	Young, Ohio

NAYS—56

Aiken	Dirksen	Holland
Allott	Dodd	Inouye
Bartlett	Dominick	Jackson
Bass	Eastland	Javits
Boggs	Harris	Jordan, N.C.
Brewster	Hart	Kennedy, Mass.
Cannon	Hartke	Kuchel
Carlson	Hayden	Lausche
Case	Hickenlooper	Long, Mo.
Cooper	Hill	Magnuson

Mansfield
McGee
McNamara
Metcalfe
Miller
Monroney
Montoya
Morton
Moss

Murphy
Muskie
Neuberger
Pastore
Pell
Prouty
Ribicoff
Russell, S.C.
Smathers

Smith
Stennis
Thurmond
Tydings
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.

NOT VOTING—14

Anderson
Bennett
Curtis
Gore
Kennedy, N.Y.

McCarthy
McIntyre
Mondale
Pearson
Saltonstall

Scott
Simpson
Sparkman
Tower

So Mr. MORSE's amendment was rejected.

Mr. PASTORE. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, I yield myself 30 seconds on the bill.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 30 seconds.

FIFTY EXAMPLES OF AUTHORIZATIONS AND APPROPRIATIONS IN THE 89TH CONGRESS

Mr. DIRKSEN. Mr. President, the staff of the Senate Republican policy

committee has prepared a sample list of 50 examples of estimated authorizations for appropriations, which either already have become law or are being considered, in this session of the Congress.

The examples give an estimated first year authorization, the number of years for a program or programs in the measure or law, and the estimated amount authorized for the total number of years. Of course, as bills follow the traditional course through committees, and action in the Senate and House and possible Conference consideration, some figures may change, but in most cases not substantially.

The 50 examples, however, give a graphic account of the amount of money being authorized for possible future authorizations. In these 50 examples alone, I believe, the total is in excess of \$112 billion. The staff deserves credit for pointing out these examples—without comment one way or the other—to show the direction in which we are moving. The list undoubtedly will be of considerable use to all Senators.

I ask unanimous consent the tabulation be printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Fifty examples of estimated authorizations for appropriations

Example of legislation	Estimated costs			Example of legislation	Estimated costs		
	1st year	Years	Cumulative amount		1st year	Years	Cumulative amount
1. Housing, rent subsidies, and urban development (Public Law 89-117).....	\$935,000,000	4	\$7,400,000,000	28. Vocational rehabilitation programs (H.R. 8310).....	\$400,000,000	3	\$1,414,250,000
2. Community health services and immunization (Public Law 89-109).....	28,000,000	4	112,000,000	29. Health professions education (H.R. 3141).....	200,000,000	4	800,000,000
3. Rapid rail transit, Washington, D.C. (Public Law 89-173).....	431,000,000	-----	431,000,000	30. Arms control and disarmament (Public Law 89-27).....	10,000,000	3	30,000,000
4. Poverty program expansion (H.R. 8283).....	1,800,000,000	3	5,400,000,000	31. Pesticides research (S. 1623).....	3,200,000	3	13,200,000
5. Federal aid to higher education (H.R. 9567).....	672,000,000	5	4,700,000,000	32. Health research facilities extension (Public Law 89-115).....	93,600,000	3	280,000,000
6. Area redevelopment, public works acceleration (Public Law 89-136).....	760,000,000	5	3,250,000,000	33. Veterans rehabilitation cost-of-living increase (Public Law 89-137).....	1,600,000	5	8,100,000
7. Community health, mental facilities, and staffing (Public Law 89-105).....	45,000,000	4	235,000,000	34. Training seriously disabled veterans (Public Law 89-130).....	3,200,000	5	16,000,000
8. Social security, medicare, and public assistance (Public Law 89-97).....	6,500,000,000	5	32,500,000,000	35. Ship construction subsidies (H.R. 4346).....	124,900,000	-----	124,900,000
9. Regional medical centers (S. 596).....	50,000,000	4	650,000,000	36. International Coffee Agreement (Public Law 89-23).....	150,000,000	-----	150,000,000
10. Appalachia assistance (Public Law 89-4).....	365,000,000	6	1,092,400,000	37. Water Resources Research Act (S. 22).....	5,000,000	5	39,000,000
11. Water Resources Planning Act (Public Law 89-80).....	11,700,000	10	117,000,000	38. Peace corps extension (Public Law 89-134).....	115,000,000	3	345,000,000
12. Manpower development and training (Public Law 89-15).....	454,000,000	4	1,810,000,000	39. National Teacher Corps and fellowship for elementary, secondary schools (H.R. 9627).....	35,000,000	3	236,000,000
13. Federal aid to elementary, secondary schools (Public Law 89-10).....	1,340,000,000	5	6,600,000,000	40. National Aeronautics and Space Administration (Public Law 89-53).....	5,109,000,000	5	26,000,000,000
14. Older Americans Act (Public Law 89-73).....	6,500,000	5	49,000,000	41. Conservation program for Great Lakes fish (H.R. 25).....	5,000,000	5	25,000,000
15. High speed rail service research (S. 1538).....	20,000,000	3	90,000,000	42. Crime control training (H.R. 8027).....	2,000,000	3	10,000,000
16. Military pay raise (Public Law 89-132).....	1,040,000,000	5	5,240,145,000	43. National wild rivers system (S. 1446).....	1,800,000	5	9,000,000
17. Federal pay raise (H.R. 10281).....	621,600,000	5	6,821,000,000	44. Teacher sabbaticals (H.R. 10622).....	50,000,000	3	150,000,000
18. National Arts-Humanities Foundation (H.R. 9460).....	20,000,000	3	60,000,000	45. Cape Lookout National Seashore (S. 251).....	9,300,000	-----	9,265,000
19. Highway beautification (S. 2084).....	160,000,000	2	320,000,000	46. St. Croix Scenic Railway (S. 870).....	6,500,000	-----	6,500,000
20. State Technical Services Act (Public Law 89-182).....	10,000,000	3	60,000,000	47. Ellis Island National Monument (H.J. Res. 454).....	6,000,000	-----	6,000,000
21. Rivers and harbors projects (S. 2300).....	1,989,000,000	-----	1,989,428,500	48. Assateague Island National Recreation Area (Public Law 89-195).....	24,000,000	-----	24,015,000
22. Peacetime GI cold war benefits (S. 9).....	333,000,000	5	1,930,000,000	49. Spruce Knob (W. Va.) Recreation Area (S. 7).....	19,800,000	-----	19,780,000
23. Water pollution control (S. 4).....	170,000,000	4	380,000,000	50. Juvenile delinquency program (Public Law 89-64).....	6,500,000	2	16,500,000
24. Saline water (Public Law 89-118).....	35,000,000	5	185,000,000				
25. Air pollution (S. 306).....	20,000,000	3	60,000,000	Estimated total authorizations.....			112,717,983,500
26. Additional cost of river basin projects (Public Law 89-42).....	944,000,000	2	944,000,000				
27. Pension increase for Federal employees (H.R. 8469).....	101,900,000	5	559,500,000				

NOTE

1. The above list does not include a number of other important authorization measures, such as the multibillion, 4-year farm bill, presently in conference; the foreign aid authorization bill; authorization for expenditures from the highway trust fund for interstate highways; increases in the U.S. quota to the International Monetary Fund and Inter-American Development Bank Fund (both of which are now public law); the increase in Small Business Administration loan funds; various projects listed in such authorization measures as for the Interior Department, military procurement, Health, Education, and Welfare Department, and other departments, as well as a number of other separate authorization measures for public works projects, studies of crime, the metric measure system, etc.

2. Some of the authorizations in the list of 50 were selected only to show the wide variety of bills.

3. In some instances, the 1st year authorization in the above list is increased for the following years and thus the cumulative amount will be greater than the 1st year figure multiplied by the number of years. In the case of a few bills, like the NASA authorization measure, the 5-year total is based on the recent yearly average authorization. On the other hand, it should be noted that where some programs, like Federal pay raises, show only a 5-year total authorization, they actually will continue for years.

Mr. DIRKSEN. Mr. President, I yield 30 seconds under the bill to the distinguished minority whip.

The PRESIDING OFFICER. The Senator from California is recognized for 30 seconds.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1966

The Senate resumed the consideration of the bill (H.R. 10871) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

FOREIGN AID; PUBLIC LAW 480 AND SOUTH VIETNAM

Mr. KUCHEL. Mr. President, during the consideration of the foreign assistance appropriations for fiscal year 1966 by the Senate Committee on Appropriations, I submitted several questions for the administration to answer. These questions concerned the utilization of the soft currencies accumulated in foreign countries as a result of transactions under Public Law 480, the need for more imagination and initiative to prevent a decline in the value of these soft currency deposits as a result of devaluation, and the need to utilize these soft currency deposits to offset our balance-of-payments deficit. I also raised questions regarding our land reform policies in South Vietnam and suggested that we improve our health program there by taking some of our Second World War hospital ships out of mothballs and staffing them to aid the great concentration of South Vietnamese people who live along the coast. Answers to these questions were submitted by the Department of State.

I ask unanimous consent that the questions and answers be printed at this point in the RECORD.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

Question. I have long been concerned with the utilization of our Public Law 480 funds abroad. On July 14, 1965, I wrote Assistant Secretary of State MacArthur inquiring as to the possible use of these funds to purchase real estate in the countries where they are on deposit with the idea that such an investment would appreciate and that at some future date land could be sold or utilized in order to provide adequate housing and office space for American employees. On July 30, 1965, Mr. MacArthur replied and noted that the Department's acquisition, construction, and improvement of properties is based entirely upon funds appropriated under section 104(1) of Public Law 480 which provides unlimited authorization for appropriations which the Department of State annually seeks from the Congress. He noted that the following countries currently have currencies on deposit which in the judgment of the Treasury Department are excess to normal requirements: Burma, Ceylon, Guinea, India, Israel, Pakistan, Poland, Tunisia, United Arab Republic, and Yugoslavia. Mr. MacArthur then notes: "While the Congress does not attempt to preclude the Department from acquiring properties having a potentially higher resale value, it expects and requires the Department to justify requests for funds for facilities on the basis of current program needs. To this extent, therefore, the Depart-

ment would refrain from acquiring real estate which it does not need but which, because of an expanding market, it could sell or exchange for more suitable property at a later date."

I wonder, in view of the large deposits of soft currencies which we have abroad, if you do not think that the Department of State and the U.S. Government, including the Congress, should have a more imaginative policy as to how these funds might be used in a land and building acquisition program? I would like your comments of this.

Answer. The Department is considering an expanded use of foreign currencies in countries where U.S. currency holdings are in excess of the Government's need.

The Department has canvassed U.S. missions and the headquarters of appropriate agencies of the Government for additional worthwhile programs, including overseas sites and buildings, that could be funded entirely or largely with these funds. The results are currently under review by the executive branch for fiscal year 1967. If this materializes, the building program in those excess-currency countries will be greatly accelerated to the extent that the U.S. Government's real property requirements will be satisfied in the next several years.

It should be noted that, particularly in India, rising land values reflect the growing shortage of desirable unimproved real estate and it is to be expected that efforts on the part of the U.S. Government to purchase acreage that could not realistically be related to future requirements of an official nature undoubtedly would be opposed by the local government. Some other governments may likewise oppose such action.

Question. I noted that we have excess currencies on deposit in Yugoslavia. On June 11, 1965, my legislative assistant, who had learned from a traveling American in Yugoslavia that there would be possible devaluation of the dinar, called Frederick L. Deming, the Under Secretary of the Treasury for Monetary Affairs, and urged that Public Law 480 funds be put to use on schools and equipment for schools before their value was greatly reduced as a result of devaluation. In a reply of June 16, Mr. Deming noted that, at the then current rate of exchange (750 dinars equals \$1), the U.S. Government had on deposit \$61 million. Mr. Deming noted that "utilization of these balances is restricted under the foreign exchange control law of Yugoslavia and is limited to specified purposes as set forth in agreements between the United States and Yugoslavia." He then goes on to say that dinars are being used to pay all U.S. Government official expenses, including payments to U.S. Government contractors there. This amounts to \$3 million annually.

On July 26, 1965, Yugoslavia announced various currency-stability measures. One of the major changes was the devaluation of the dinar. From 1961 until the change in late July, as I have noted previously, the U.S. dollar-Yugoslav dinar exchange rate was \$1 to 750 dinars. It is now \$1 to 1,250 dinars. On January 1, 1966, present dinars will be exchanged for new ones at the rate of 100 to 1.

This action has obviously affected the value of our Public Law 480 funds which are on deposit. When sufficient warning was given, cannot our Government make some plans to utilize these funds at their highest value or convert them into land and buildings which would withstand devaluation? I would also like your comments and a summary for the hearing record of the various foreign exchange regulations which are imposed on our soft currency deposits abroad.

Question A. When sufficient warning was given, cannot our Government make some plans to utilize these funds at their highest value or convert them into land and buildings which would withstand devaluation?

Answer. The executive branch has long been concerned over losses in the purchasing power and value of U.S.-held foreign currencies through devaluations, and has, where feasible, moved to minimize losses of this nature. However, it must be remembered that the use of U.S.-use foreign currencies is subject to the appropriation of dollars with which Treasury is reimbursed for currency used. Even in emergency situations where prompt action is necessary to prevent loss through devaluation, executive branch agencies may not exceed their appropriations, in which there are no provisions for such emergencies. Regular appropriation requests generally include only relatively high-priority projects, the funds for which could not normally be reprogramed in any magnitude within the fiscal year for the relatively lower priority projects mentioned. This is the more true when the situation arises late in the fiscal year after appropriations are largely committed, as in this case.

Efforts have continued over a period of years to find additional uses for these excess currencies. Dinars are being used for local operating expenses of the U.S. Embassy and missions; for allowances and partial salary payments to American employees; for travel, subsistence, and transportation within the country, for international air travel; and after months of effort, for payments to U.S. annuitants resident in Yugoslavia. The latter use has greatly increased the normal annual requirements of the United States for dinars, reducing the number of years supply from 26.5 at the fiscal year 1964 expenditure rate to 9. Every effort is being made to increase the use of dinars and other excess currencies, and to avoid or minimize losses by devaluation.

Question B. I would also like your comments and a summary for the hearing record of the various foreign exchange regulations which are imposed on our soft-currency deposits abroad.

Answer. Foreign exchange regulations imposed on the use of local currencies on deposit vary in intensity and method depending on the general provisions governing foreign trade and exchange transactions established by the different foreign governments and on procedures set forth in bilateral agreements. Latest surveys of the exchange systems and applicability of exchange control of all member countries of the International Monetary Fund are published in the 16th Annual Report on Exchange Restrictions, 1965, issued by the fund, which we are making available to the committee.

Question. With regard to the use of Public Law 480 funds in reducing our balance-of-payments difficulties, I wonder what progress has been made, country by country, in urging American tourists to exchange dollars for local currencies at our Embassy. Do or could not the airlines, steamship companies, our immigration and customs officials cooperate in notifying all American travelers abroad (perhaps a slip of paper sent out with their passport from the Department of State) that local currencies could be secured at our Embassy?

Answer. Notices calling the attention of American tourists to the availability of U.S. Government-owned foreign currencies for sale to them are enclosed in the passports issued to tourists indicating an intention of visiting countries where these currencies are available. Examples of notices for U.S. travelers to India, Israel, and the United Arab Republic are shown below:

"ATTENTION U.S. VISITORS TO: INDIA

"Here is how you can aid the U.S. balance of payments.

"When you arrive in India, you may buy your local currency (rupees) requirements from the American Embassy in New Delhi, or from the American Consulates General in

Bombay, Calcutta, and Madras. You are assured the official rate of exchange.

"The Indian rupees available for purchase at the American Embassy and the American Consulates General are owned by the U.S. Government and are available for expenditure only in India. When you buy your rupees from the U.S. Diplomatic or Consular posts, as arranged by agreement with India, in effect your dollars stay home and you help the U.S. balance of payments.

"Payment may be made by cash, personal check, or traveler's check.

"Addresses

"Embassy: Shanti Path, Chanakyapuri, (Diplomatic Enclave) New Delhi.

"Consulates: 78 B. Desai Road, Bombay; 5/1 Harrington Street, Calcutta; 150-B Mount Road, Madras.

"Selling hours (Monday to Friday): 10 a.m. to 12:30 p.m., 2:30 p.m. to 4 p.m."

At present currencies are for sale in Israel, United Arab Republic, and India under Public Law 480, section 104(s). Sales for business purposes are made in Israel and India under 104(t). To extend the potential effectiveness of the program of sales of U.S.-owned foreign currencies in those countries where agreements to do so exist, the Secretary of the Treasury is revising the present criteria for determining which currencies are available for sale to U.S. citizens under section 104(s) or (t) of Public Law 480 so that additional amounts will become available. Sections 104(s) and 104(t) have been included in all title I, Public Law 480 agreements since section 104(t) was added to the Public Law 480 legislation last October and are being included in all new title I agreements.

"ATTENTION U.S. VISITORS TO: ISRAEL—EGYPT

"Here is how you can aid the U.S. balance of payments.

"When you enter either of these two countries, visit the American Embassy and buy your local currency requirements there. You are assured the official rate of exchange and that your dollars used to buy local currency from the Embassy will not become a claim against the U.S. gold supply.

"These two currencies, available for purchase at the respective American Embassies, are owned by the U.S. Government, acquired under conditions preventing the United States from spending them outside the country of origin. Under special arrangements with the local governments the American Embassy is authorized to sell these currencies to U.S. tourists.

"Payment may be made by cash, personal check, or traveler's check.

"American Embassy address

"Israel

"71 Hayarkon Street, Tel Aviv (9 a.m. to 1 p.m., selling hours).

"Egypt

"5 Sharia Latin American, Garden City, Cairo (9 a.m. to 12 noon, selling hours)."

Question. Turning to Vietnam, as Mr. Bell will recall we discussed our AID program there in my office on April 5, 1965. In response to various questions which I raised, he furnished me with material concerning the AID program as it relates to the Vietnamese peasantry on April 8. I have carefully gone over that material. While it seems we are giving the Vietnamese peasant free agricultural instruction, free seed, free fertilizer, and free tools we do not seem to be giving him a fundamental stake in his country; namely, free land or the opportunity over time to purchase at a reasonable cost such land. I would like for the record just how many acres have been turned over to the peasantry as a result of American efforts. I think nothing is so important to our winning the war there as giving the peasant an economic stake in his country as well as a

political stake by training him in community participation at the local level.

Answer. Land reform and the distribution of land under permanent or provisional title is, of course, the function of the Government of Vietnam. U.S. assistance and advice has been instrumental in helping the Government to carry out its land programs, and our recommendations have been adopted in many cases.

Under the provisions of the original land reform legislation enacted by the Diem administration, 264,000 hectares (652,000 acres) of ordinance 57 land (i.e., expropriations of Vietnamese-owned landholdings of over 100 hectares (247 acres)) have been distributed to 115,000 new owners. This distribution was accomplished by provisional land certificates with payments at reasonable rates over a 12-year period.

Another category of riceland, formerly owned by French landlords, has been largely undistributed because of insecurity and surveying problems. However, the new land-reform program approved by the Government on August 9 provides for the eventual distribution of 225,000 hectares (555,750 acres) of land in this category with payments over 12 years, and with assistance in water control and irrigation devices. The GVN plans to begin immediate distribution of 23,000 hectares (56,800 acres).

The new program also provides for full and clear title to ordinance 57 land previously distributed with a Government lien held until payments have been completed.

Question. One last question pertaining to Vietnam: In order to improve our relations with the people there, could we not get some of our Second World War hospital ships out of mothballs and staff them with Public Health Service or military or private volunteer doctors and nurses and run them up and down the coast where they could serve the millions of people who live in the 5- to 10-mile coastal strip?

Answer. The USOM health program is in the process of expansion, especially due to higher numbers of civilian casualties and refugees as a result of increased military operations during the summer months. For example, 20 U.S. volunteer doctors, on a 60-day rotation basis, will greatly augment our capabilities of caring for the Vietnamese civilian population; and an increasing number of free world nations are considering supplying medical personnel to especially assist the refugees located along the coast of the central part of the country. The idea of equipping a hospital ship which would make runs along the coast will be considered among other measures which soon will be taken to increase our medical assistance to Vietnam.

Mr. DIRKSEN. Mr. President, I yield, under the bill, 1 minute to the distinguished senior Senator from New York.

The PRESIDING OFFICER. The senior Senator from New York is recognized for 1 minute.

Mr. JAVITS. Mr. President, I call the attention of the Senate to the fact that an enormous refugee problem in South Vietnam is not dealt with in the bill. It has been estimated that there will be approximately one million refugees in South Vietnam within the next few months. There are now about half that many.

The junior Senator from Massachusetts [Mr. KENNEDY] has been conducting a series of hearings in the Refugee Subcommittee of the Committee on the Judiciary, of which I am a member, which hearings demonstrate the serious character of the problem.

There are funds now available in an indirect way through the sizable commercial import program and the counter-insurgency program for Vietnam. However, they are quite inadequate. In addition, the President's contingency fund could have been made available, but it is my understanding that this fund is fully committed.

I make this statement for the purpose of suggesting to the manager of the bill that it should be a matter of record that this is a problem which the Senate will have to meet. This problem will have to be met through supplemental appropriations. We should take cognizance of the fact that this problem is not being met in this particular appropriation bill.

LEGISLATIVE PROGRAM—ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. DIRKSEN. Mr. President, I yield myself 1 minute under the bill.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 minute.

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader about the program for the remainder of the day, for tomorrow, and, if possible, for early next week.

Mr. MANSFIELD. Mr. President, first I ask unanimous consent that, when the Senate completes its business this afternoon, or this evening, it stand in recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, if I may have the attention of the distinguished Senator from Michigan [Mr. McNAMARA], the chairman of the Committee on Public Works, it is anticipated that at the conclusion of the prayer tomorrow the Senate will take up the conference report on the antipoverty measure (H.R. 8283).

It is hoped that we shall complete the consideration of that conference report sometime during the day. I believe it is anticipated that there will be a rollcall vote on the conference report. When the rollcall vote is disposed of and the unobjected-to items on the calendar have been disposed of, it is then anticipated that the Senate will go over until the following Tuesday.

FOREIGN ASSISTANCE AND RELATED AGENCIES APPROPRIATION BILL, 1966

The Senate resumed the consideration of the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

Mr. GRUENING. Mr. President, I send to the desk an amendment to H.R. 10871 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. An amendment is proposed by the Senator from Alaska [Mr. GRUENING], as follows:

On page 12, between lines 18 and 19, insert the following new section:

"SEC. 117. None of the funds appropriated or made available in this act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to Indonesia."

Mr. GRUENING. Mr. President, this seems to be where we have come in again and again.

In the consideration of the foreign aid authorization bill, an amendment introduced by the distinguished junior Senator from Oklahoma [Mr. HARRIS] was agreed to in this body by a vote of 72 to 13. We had been given assurances that in view of the disgraceful performance of the dictator of Indonesia, we would not have to bring up this question again.

Sukarno has denounced us. He has vilified the United States. He has gotten into bed with the Communists. He has burned our libraries. He has confiscated and expropriated the property of American citizens. He has allowed mobs to attack our Embassy. He has told us to go to hell with our aid. He is making war on the friendly nation of Malaysia. We have given this man close to a billion dollars.

Yet we have the surprising news that we are now negotiating—if, indeed, we have not already done so—to give him atoms for peace for the next 5 years. How utterly ridiculous in view of his past performance and when he wants to make an atomic bomb.

This amendment would merely withhold all financial aid from him for the next year.

I hope that the amendment will be agreed to.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. CHURCH. I have a great deal of sympathy for the position of the Senator. I share his concern about Mr. Sukarno's relentless slide toward communism in Indonesia. However, the difficulty that I encounter with an amendment of this kind relates to how we can know whether Sukarno will remain as the head of the Indonesian Government. What if a revolt in the palace guard were to overthrow him tomorrow? What if, a month from now, he were to pass on to his reward and some new regime were to take control of Indonesian affairs? If we were to write into the bill, and into the law itself, a prohibition against the extension of any aid to Indonesia, then we will have blocked the President at the very time when we would no longer want to prohibit the extension of possible assistance to Indonesia. The delay, the difficulty in then striking the provision from the law might well paralyze American policy for an extended period of time.

Mr. GRUENING. Mr. President, would the Senator, therefore, find the amendment acceptable if it were worded to provide that it be effective for so long as lawless Sukarno remains in power?

Mr. CHURCH. Even then, much as I feel that Sukarno's views toward this country will not change, I always hope that he will see the light, that he will un-

derstand the peril involved in alining his country with Communist China, and that he might change his attitude and policies. If that were to happen, we would then have this prohibition riveted into the law. That is the reason why I cannot support the amendment.

Mr. GRUENING. Mr. President, my friend from Idaho exhibits the optimism worthy of Voltaire's Dr. Pangloss and Pollyanna.

Mr. PASTORE. Mr. President, there is not a penny involved in the pending bill for aid to Indonesia.

Mr. GRUENING. Then what is the objection to the amendment?

Mr. PASTORE. The objection is to stop the giving of money that is not being given anyway.

Mr. GRUENING. Mr. President, there is no assurance that a way may not be found. I believe that we can give a great feeling of security and comfort to the United States if, by agreeing to my amendment, we give the definite assurance that the folly of giving aid to Sukarno has ceased for at least 1 year.

I yield to the senior Senator from Louisiana.

Mr. ELLENDER. Although funds are not specifically earmarked for Indonesia the President could make some funds available out of the contingency fund.

Mr. GRUENING. From the emergency fund.

Mr. CLARK. Will the Senator yield?

Mr. GRUENING. I yield to the Senator from Pennsylvania.

Mr. CLARK. My views are identical with those of the Senator from Idaho. I do not like Sukarno any better than he does. I would like to see the President free to utilize this money where he thinks the national security is involved. For several years, we have had amendments that indicated that we do not like Sukarno. However, I should like to see the amendment of the Senator from Alaska modified, as it has been in previous years.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. PASTORE. We voted on this question once before by an overwhelming vote. If the Senator from Alaska will modify his amendment to read "unless the President, in the national security, feels it is advisable," I shall take it to conference, as I think was suggested by the Senator from Oklahoma [Mr. HARRIS]. If it is corrected in that fashion, although I have not consulted with other members of the committee, I can say I have no personal objection to it. It can be put to a voice vote.

Mr. GRUENING. How would the President like the amendment changed?

Mr. PASTORE. I did not ask the President. I am only suggesting.

Mr. GRUENING. How would the manager of the bill—

Mr. PASTORE. I am a bigger man than I thought. Now I speak for the President. I am completely overwhelmed.

Mr. GRUENING. Mr. President, will the Senator yield for a moment?

Mr. PASTORE. I yield.

Mr. GRUENING. May I ask the distinguished manager of the bill how he would like to have the amendment modified?

Mr. PASTORE. Exactly as we adopted it in the authorization bill. Perhaps we can duplicate that language. It was suggested by the Senator from Oklahoma.

Mr. GRUENING. While I have no faith in such permissive language based on repeated past experience, I shall accept the amendment, because I think it is a step forward.

Mr. PASTORE. I yield time on the bill to the Senator from Oklahoma.

Mr. HARRIS. Will the Senator from Alaska yield to me for a moment?

The PRESIDING OFFICER. Will the Senator send his modified language to the desk, please?

Mr. HARRIS. I was about to suggest that the Senator might wish to lay his amendment aside briefly, until we can prepare an amendment.

Mr. GRUENING. If that is agreeable to the manager of the bill, very well.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question? Is it the intent to modify the language so that aid will be given only when the President determines that it is in the interest of our national security?

Mr. PASTORE. The Senator is correct.

Mr. GRUENING. Mr. President, I send to the desk another amendment, and ask that it be stated.

The PRESIDING OFFICER. Does the Senator withdraw his previous amendment?

Mr. GRUENING. Yes, I withdraw the amendment in favor of the amended amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 12, between lines 18 and 19, insert the following new section:

"SEC. 117. None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to the United Arab Republic."

Mr. GRUENING. Mr. President, this is a similar amendment, but, instead of singling out Indonesia, which is under Sukarno's rule, it sets out the United Arab Republic, under Mr. Abdel Gamal Nasser.

I take it the same compromise would be acceptable to the manager of the bill. We are engaging in a rather foolish performance, because for years we have had an amendment denying aid to aggressors, but it has not been denied in this particular case. We make it specific as to the United Arab Republic. If the manager of the bill, the distinguished senior Senator from Rhode Island, will accept the amendment with the same modification, "provided the President considers it in the national interest," I shall be glad to accept that language.

Mr. PASTORE. Will the Senator yield?

Mr. GRUENING. I yield.

Mr. PASTORE. On the authorization bill, in conference, when the matter of

wheat was discussed language was adopted to read:

No sale under title I of this Act shall be made to the United Arab Republic unless the President determines such sale is essential to the national interest of the United States.

Now, rather than use the word "sell," it could be made to read "No aid shall be given under the provisions of this law." If we can use such language, I am perfectly willing not to resist it.

Mr. GRUENING. I send to the desk another amendment, and ask that it be read.

Mr. PASTORE. Are we going to dispose of this amendment first?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alaska [Mr. GRUENING], as modified. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, between lines 18 and 19, it is proposed to insert the following new section:

SEC. 117. None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to the United Arab Republic, unless the President determines that such availability is essential to the national interest of the United States.

The PRESIDING OFFICER. All time having been yielded back the question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. HARRIS. If the Senator from Alaska will yield to me about 15 seconds, I ask unanimous consent that I be shown as cosponsor on the amendments of the Senator from Alaska having to do with Indonesia and the United Arab Republic, as modified.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

Mr. GRUENING. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 12, between lines 18 and 19, insert the following new section:

"SEC. 117. None of the funds appropriated and made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for military assistance to India or Pakistan."

Mr. GRUENING. Mr. President, this subject has been discussed before, but it had not come up formally on the floor before this particular amendment was offered. I feel very definitely that we are at a crossroads. For many years we have poured billions of dollars in military aid into two neighboring countries that were born out of the division of what was once India.

Two years ago I pointed out on the floor of the Senate that Pakistan was a member of the Southeast Asia Treaty Organization and was obliged under it to assist us in southeast Asia.

At that time I received a communication from the Ambassador of Pakistan

to the United States, in which he said, in effect, "We do not intend to use this money to fight communism. We are going to use it to fight India."

I spoke about it on the floor of the Senate 2 years ago, and again last year. Now it has happened. The intent was always there, and we did nothing about it. Now it has happened. We have witnessed a bloody war, which has been stopped only because we have withdrawn our military aid to those two countries.

While this was going on, while we have been pouring this economic aid in billions of dollars into this country and also a large sum of money in military aid, Pakistan has moved closer and closer to Communist China.

It is important that we cease this folly, or at least say that the Senate is opposed to the folly of continuing to subsidize countries for purposes which they do not follow and, instead, use our money to make war on each other, putting upon us the obligation—which we will undoubtedly have to assume, unless we do something—of repairing the damage that we have done with our weapons.

Mr. President, I have stated my case. I shall not ask for the yeas and nays on the pending amendment.

We have already heard the able arguments in opposition made by the Senator in charge of the bill, although I would point out that his arguments were used in opposition to the amendment which made a blanket cut of 25 percent in all military assistance. In this particular case, my amendment would withdraw military aid to those two countries which have ceased fighting each other. In my judgment, they have ceased fighting each other because we have withdrawn our military aid. If we wish to keep them from fighting each other, the best thing is for the Senate to go on record, this year anyhow, that there will be no more military aid. If India and Pakistan wish to fight each other, they can use broomsticks, and that will be a vast improvement.

Mr. CLARK. Mr. President, I have just read the Senator's amendment, and my understanding is that the cuts apply to economic aid as well as military aid.

Mr. GRUENING. Military aid only. Let me make sure.

Mr. COOPER. Mr. President, will the Senator from Alaska yield?

Mr. GRUENING. My amendment states:

None of the funds appropriated or made available in this act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for military assistance to India or Pakistan.

Mr. CLARK. Mr. President, the amendment at the desk has the words "military aid" scratched out.

Mr. GRUENING. I am sorry. Mr. President, I ask unanimous consent that those two words "military aid" be restored to my amendment, so as to read:

None of the funds appropriated or made available in this act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for military assistance to India or Pakistan.

Mr. President, that is the amendment I am offering.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. PASTORE. Mr. President, I yield back the remainder of my time.

Mr. GRUENING. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was rejected.

Mr. HARRIS. Mr. President, I should like to advise the Senator from Alaska that I have been informed by the Parliamentarian that no action was taken on the Indonesia amendment. Action was taken only on the United Arab Republic amendment, as modified. I am advised that the Senator from Alaska will have to offer his Indonesia amendment again.

Mr. GRUENING. Mr. President, I reoffer my modified amendment at this time.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, between lines 18 and 19, insert the following new section:

SEC. 117. None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to Indonesia, unless the President determines that such availability is essential to the national interest of the United States.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from Alaska, as modified.

The amendment was agreed to.

Mr. HOLLAND. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I yield time on the bill to the Senator from Florida.

The PRESIDING OFFICER. How much time?

Mr. PASTORE. As much time as the Senator needs.

Mr. HOLLAND. I thank the Senator from Rhode Island. I should like to address some questions to him, to clarify a point in the RECORD which I believe should be clarified. I wish to ask the Senator in charge of the bill a few questions relative to the paragraph at the top of page 15 of the printed bill, which deals with assistance to refugees in the United States.

Mr. PASTORE. I would most respectfully suggest to the Senator from Florida that, rather than ask me questions, he explain exactly what the committee did, because he was responsible for what it did; and I would appreciate it very much if he would make the explanation.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. President, I wish the RECORD to show clearly that the reduction from \$32,265,000 to \$30 million, in the first paragraph on page 15 of the bill, did not relate to education at any level in the Miami area, as far as education of the children of refugees is concerned, or the education of adults, or any other factor relating to education.

Mr. President, I ask unanimous consent to have printed in the RECORD the first paragraph on page 15 of the bill.

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND
WELFARE

Assistance to refugees in the United States

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to refugees within the United States, including hire of passenger motor vehicles, and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), [\$32,265,000] \$30,000,000.

Mr. HOLLAND. Mr. President, in order to make the explanation clear, I ask unanimous consent to have printed in

the RECORD, the last three columns in the tabulation on page 202 of the hearings, which shows the 1966 original presidential budget and current estimates which had been reduced in certain amounts, and the increases or decreases of the estimates as comparing the original budget and the current budget, the original budget having been granted by the House before the current budget came down.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

WELFARE ADMINISTRATION ASSISTANCE TO REFUGEES IN THE UNITED STATES

Summary—Budget request

	1966		Increase or decrease—1966 current estimate compared with President's budget and House allowance
	President's budget and House allowance	Current estimate	
I. Direction and coordination of program.....	\$883,000	\$883,000	-----
II. Welfare assistance and services:			
Financial assistance to needy refugees in the Miami area.....	8,272,000	7,585,000	-\$687,000
Transitional resettlement allowances.....	200,000	116,000	-\$84,000
Assistance to resettled refugees who become needy.....	5,101,000	4,200,000	-\$901,000
Unaccompanied children.....	3,800,000	3,800,000	-----
Distribution of surplus commodities.....	60,000	54,000	-\$6,000
Hospitalization.....	1,038,000	850,000	-\$188,000
State administration.....	1,146,000	1,146,000	-----
Total, welfare assistance and services.....	19,617,000	17,751,000	-\$1,866,000
III. Refugee resettlement.....	1,690,000	1,350,000	-\$340,000
IV. Education:			
Assistance to Dade County public schools.....	4,156,000	4,156,000	-----
Vocational training.....	1,385,000	1,326,000	-\$59,000
Assistance to college students.....	3,200,000	3,200,000	-----
Professional training.....	400,000	400,000	-----
Total, education.....	9,141,000	9,082,000	-\$59,000
V. Health services:			
Refugee health clinic.....	588,000	588,000	-----
Outpatient services.....	120,000	120,000	-----
Maternal and child health and school health services.....	100,000	100,000	-----
Hospitalization for long-term illness.....	126,000	126,000	-----
Total, health services.....	934,000	934,000	-----
Total obligations.....	32,265,000	30,000,000	-\$2,265,000

Mr. HOLLAND. Mr. President, it is clear, from looking at those figures, that the total reduction of \$2,265,000 related to other items in caring for refugees and their families, resulting in the main from a speeding up of the resettlement of the refugee families, and did not relate at all to the educational group of appropriations which were as follows:

For assistance to Dade County public schools, \$4,156,000; for vocational training, \$1,385,000—there was a reduction there to \$1,326,000 due to the fact that some adults had been resettled; an appropriation for assistance to college students—the number of college students was the same, and that appropriation remained at \$3,200,000; and the professional training allowance of \$400,000 remained the same.

I make this clarification for the RECORD, understandably, because some persons in the public schools of Dade County have been reimbursed in part for the education of Cuban refugee children there, and have been anxious to be sure that the reductions in this field of the appropriation did not apply to education because they have worked out a very careful and full arrangement with the appropriate officials in the Department of Health,

Education, and Welfare in Washington, D.C., as to the allowance for those educational purposes. There was no reduction as to those educational appropriations, except in the one field of vocational training, and only because of the resettlement of certain adults.

I thank the distinguished Senator from Rhode Island for yielding to me, because I believe that this matter should be clarified for the RECORD.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I call up my amendment which deals with cuts in the military and ask that it be stated.

The PRESIDING OFFICER. Which page and which line is the Senator referring to?

Mr. ELLENDER. Page 4, line 25.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 4, line 25, it is proposed to strike out "\$1,170,000,000", and insert in lieu thereof "\$1,070,000,000."

Mr. ELLENDER. Mr. President, I regret that because I was engaged on the Senate floor discussing the farm bill, I

was unable to participate in the hearings held by the Senate Appropriations Committee with the Senator from Rhode Island presiding. I am confident that if I had been able to participate in those hearings, I could have made a good case which would have led to further cuts in the pending measure.

It will be recalled that the committee reduced the bill below the amount allowed by the House by \$94,265,000. The distinguished Senator from Massachusetts submitted an amendment earlier, which was voted favorably, which cut from the bill an additional \$50 million.

Mr. President, pursuant to the unanimous-consent agreement which I obtained a while ago, as I understand the situation, I have offered three amendments and am entitled to thirty minutes on each one. I have consolidated that time so that I can now make a presentation covering all amendments, with the time that I shall use to be taken from each of the three amendments, and the remainder of the time to be used by me to speak specifically on the amendment before the Senate for a vote.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the allotted time may be handled by the Senator from Louisiana in the manner in which he has described.

The PRESIDING OFFICER. That has already been agreed to.

Mr. ELLENDER. Mr. President, quite a number of suggestions have been made today for cutting back on the military program. One of the amendments failed by only two votes.

What I propose to do is cut back military aid by \$100 million, which is equal to the amount of the increase proposed in the 1966 budget for countries not presently engaged in conflict, such as Taiwan and Ethiopia.

Unfortunately, under the rules of the Senate, all of this data I hold in my hand is secret. I cannot let the American taxpayer know where his money will be used because there is a rule which prevails that, on all foreign aid appropriations made for fiscal year 1966, even the Senator in charge of the bill cannot give to the public the amounts that are being appropriated for various countries.

In any event, I hasten to point out that my amendment does not cut a penny from South Vietnam. It affects only those countries where no strife or crisis exists.

A considerable amount of the increased military aid is going to Taiwan. Why this is so, I just cannot understand. There is no country that we have helped more up to now that has made a greater recovery than has Taiwan, but here we are adding—I cannot give the amount—quite an amount to modernize its army. For what purpose? Every Senator ought to know that even if we furnished Taiwan the most modern equipment we produce, Taiwan still could not succeed in attacking the Chinese mainland.

So far as I know, it has been our hope that no effort would be made by Free China to attack the mainland, because

anybody with commonsense knows, or should know, that this little island, which one can almost jump across, could certainly not conquer, or take over the mainland of China.

For many years now—and the record will show it—I have been trying, by every means at my disposal, not only to reduce this military assistance, but to cut it out altogether except as it may be necessary for internal security.

I have made a considerable effort in the past to reduce the military assistance program because I firmly felt that it has done our country more harm than good. While it may have served a useful purpose in the early fifties, it has long since ceased to serve any salutary end.

In the year 1956, I offered amendments on the floor of the Senate to the mutual security bill to reduce the military assistance program, but unfortunately my efforts were not productive of any reductions.

In 1957, I tried to reduce military assistance at the markup of the mutual security bill by Senate Appropriations Committee, and once again my amendments were voted down.

Once again, my attempt to bring some sanity to the military aid program was thwarted in 1958, but in 1959 I finally met with some success to taper off the military aid program. I tried to cut the program by \$500 million and was defeated. But on my next effort to reduce the program \$300 million, from \$1.6 billion to \$1.3 billion I was successful.

When I returned from Africa in December of 1962, I feared that the military assistance program we carried on there was going to be considerably expanded. To prevent this eventually from coming to pass, I authored language, which is now section 512 of the Foreign Assistance Act of 1961, as amended, limiting the granting of assistance to the African countries. Specifically, section 512 provided that military aid to all African countries shall not exceed \$25 million, and it shall be furnished only to meet internal security and civic action requirements.

Strange as it may seem, the additional \$110 million in military equipment that the committee has proposed in this bill includes increases for Pakistan—I cannot give the amount—and also for Turkey. The amounts are in excess of what these countries received in fiscal year 1965.

I hope and pray that the Senate will not vote to give more and more equipment to the countries of this world, particularly where those countries are not in danger now, and where they are not engaged in any conflict.

This amendment would not affect any country which is now involved in any conflict, such as South Vietnam.

It would seem to me that the Congress would do well to say to our Administrator of this program, "Let us leave well enough alone. We are providing so much for these countries now, let us not increase it."

When we give military equipment to countries, particularly to countries such as those to the south of us, we can be sure that some day we shall come to rue

the time when we made available military equipment to those countries, in the same manner that we should now rue the day we gave military assistance to India and Pakistan, over and above what was necessary for their internal security.

Mr. President, as you will recall, in March of 1963, a report was made by the Committee To Strengthen the Security of the Free World, more commonly known as the Clay Committee. The Clay Committee made a number of recommendations to President Kennedy. I thought those recommendations would have a salutary effect if implemented. I am sure they would have made the foreign assistance program a more formidable tool in achieving the objectives of our foreign policy.

The Clay Committee made no attempt to translate its recommendations into a precise amount of dollars that should be cut from the foreign aid program. But the tenor of its report made it clear that the foreign aid program recommended at the time of the Committee's report for fiscal year 1964 was highly inflated. The Committee also indicated in its report that it would be difficult for the administration to implement its recommendations.

In this connection, on page 20 of its report, the Committee said:

The committee recognizes that its recommendations to decrease or abolish aid in an [sic] number of countries and otherwise tighten standards will be difficult to implement and provoke charges that they are "politically impossible" in terms of good U.S. relations with countries concerned. The Committee recognizes as well that the political problems of pulling back from ongoing aid programs are much greater than those created by U.S. refusals to extend aid where none previously has been given. Nonetheless, we believe these actions must be undertaken and can be effected by diligent diplomatic effort over a 1- to 3-year period.

The Committee said that "these actions must be undertaken and can be effected by diligent diplomatic effort over a 1- to 3-year period." I regret to state to Senators and the people of the United States that this diligent diplomatic effort has not been accomplished; and the same foreign aid program that existed at the commencement of fiscal year 1964 still exists today and is being proposed for the fiscal year 1966.

Congress appropriated \$3 billion for foreign assistance in fiscal year 1964. That was the year the Clay report was made. This sum was divided into two parts, \$1 billion of which was for military assistance and \$2 billion for economic assistance. In the next fiscal year, the foreign aid program's dollar cost was increased instead of decreased, as the Clay report suggested. For fiscal year 1965, just 1 year after the Clay Committee had made its recommendations to President Kennedy, Congress increased the amount appropriated for foreign assistance to \$3,250 million, which was divided between military and economic assistance and amounted to \$1,055 million and \$2,195 million respectively. For the fiscal year of 1966 the President requested \$3,459,700,000; which was an increase of \$209 million over the amount

appropriated by Congress in fiscal year 1965. And this fiscal year 1966 budget has been called a barebones budget by the administration.

It seems that the time spent by the Clay committee in studying the foreign assistance program was a complete waste of time, money, and effort because it appears that its recommendations have been ignored by both the President and the Congress. To prove that is so, we need only look at certain phases of the program. Let us start with the military assistance program.

The Clay committee reported, in March of 1963:

The military assistance program should be reduced progressively as the economic capacities of recipient nations improve.

It went further to say:

We believe that in a few years, the basic need for such assistance can be served by an annual appropriation of \$1 billion.

Congress reached this goal of \$1 billion for military assistance in fiscal year 1964, but instead of following through with the recommendations of the Clay committee in the past 2 years, Congress has been retrogressing because, as I previously pointed out, in fiscal year 1965 we appropriated \$1,055 million for military assistance, and for fiscal year 1966 we are making available in the bill presently before the Senate \$1,170 million for a program that has brought nothing but grief to many countries.

I do not have to tell Senators what is happening in India and Pakistan today. The news media are doing a good job. Whose weapons are being used to destroy hundreds of lives, on both sides, in the unfortunate subcontinent of Asia? Mr. President, it is no secret. It is military weapons furnished through the U.S. military assistance program that is financing the death and destruction being wrought there today. The weapons bear the same label "Made in America."

No doubt that the weapons are the same ones that were sent, presumably, for internal security.

The even sadder facts of life about our military assistance program is that when evil is not effected directly through it, it manages to be perpetrated indirectly. For example, just recently we learned that the military arms we furnished Turkey are now being used by Pakistan to kill Indians.

I submit, Mr. President, that if the military assistance program is to be continued in the future, we should try to learn some lessons from the past. Let us not indiscriminately give potent arms to those who will not use them for the purpose intended. The military assistance that we furnish any nation is presumably to be used to oppose our common enemy, the Communists, and primarily for internal security. It was never intended that they be used against those allied with us.

Mr. President, I heartily concur with those who say that military assistance is necessary in South Vietnam. We have gone too far to retreat. There, we are meeting Communist aggression head on, and we should pull no punches in doing whatever is necessary.

I emphasize that my amendment would not take a copper cent from the appropriations provided in the bill for South Vietnam. I believe that some military assistance to South Korea is necessary. The Korean war was intended to be carried on by the United Nations, but our allied friends have left us holding the bag. As a result, we have assumed the entire cost of the war. Not only are we doing that. I wish I could give the figures for economic aid to that area. It amounts to many millions of dollars. We are carrying that load all alone. Those sums and the military assistance we have provided take care of the supplying of 19 divisions of local troops.

The assumption was that if, as, and when we provided South Korea with those divisions, some day we might be able to pull out. We have been there many years. In addition to supplying all the divisions with food, clothing, and military equipment, two American divisions are tied down in that area.

As I have said, the assistance to South Korea is supposed to be a United Nations action. The record shows that of all the boys who died on the battlefields, outside of Koreans, almost 96 percent were Americans. The record further shows that the cost of that war was borne, almost in toto, by none other than Uncle Sam.

In that area, as the record of last year shows, are two Britishers, two Australians, two New Zealanders, a few Greek troops, and a few Ethiopians, to give the action the color of being a United Nations action. But to add insult to injury, the United States is paying for the logistics of all the soldiers in South Korea, including our own, except the two Britishers, two New Zealanders, and two Australians.

Is it necessary to increase military assistance to nine countries in Latin America to the tune of approximately \$8 million in fiscal year 1966? That is exactly what we are doing in this bill. My amendment would strike out that increase.

Senators who vote for the bill recommended by the committee will be increasing military assistance to nine countries in Latin America to the tune of approximately \$8 million, because the increased Latin American program is included in the \$1,170 million budget estimate for military assistance.

During fiscal year 1965, the President transferred from the contingency fund, which was established solely for economic assistance purposes, \$55 million to a military assistance program that was already \$55 million more than the \$1 billion recommended by the Clay Committee. This amount was taken out of the contingency fund, a fund which was established to supplement, if necessary, economic aid. This transfer of funds was justified to the Congress as being necessary to maintain the security of the free world and as being in our own national interest.

Mr. President, for security reasons I am not able to disprove on the Senate floor that these transfers of funds were

unnecessary. However, I can say that during fiscal year 1965, 17 countries received military assistance from us; yet when the fiscal year 1965 program was presented to the Congress, not one of those countries was programed to receive any funds for military purposes.

The money that I now seek to cut from the bill is money that we have given to countries which were not even mentioned during the hearings. Some of those countries received funds for military purposes from the contingency fund.

In the Near East and in Africa, we furnished military assistance to Guinea, Indonesia, and Iraq. As I recall, 7 or 8 years ago we furnished about \$60 million worth of military equipment to Iraq.

What did Iraq do with that equipment? They fought our friends. Yet, today, knowing that they did that, we are again making military equipment available to them. I think it is shameful.

Lebanon is to receive military equipment, as will Saudi Arabia, Malaysia, Nepal, Nigeria, Sudan, Syria, and Tunisia.

In Europe we furnished a small sum, but imagine furnishing anything to the Netherlands. The Netherlands is a country that certainly is able to supply itself with such equipment as it needs.

We could not neglect some of the countries of Latin America because Mexico, Pan America, and Venezuela—countries which were not programed to receive \$1 of military assistance when the fiscal year of 1965 presentation was made to Congress—received some military assistance during the past fiscal year.

Was a transfer of contingency funds necessary to give military assistance to those countries? Of course the answer is no. That fund was supposed to have been used solely, wholly, and only for economic aid. Yet, this sacred fund was used to furnish military assistance to some of those countries. Some people worry because we get in trouble now and then, as we have in Pakistan and in other places. But trouble for us is inevitable if we continue to increase military aid to countries that are receiving more aid than is necessary to provide for their internal security.

Mr. President, I could continue talking about the blunders that are made in the interest of military security or the national interest through the use of the military assistance program. However, much of the military assistance program is classified secret, and there are other phases of the foreign aid program to which I wish to address myself, under the limited time I have available.

Mr. President, I have an amendment at the desk which I shall call up later. As I stated a while ago, I intended to discuss it now and reserve some of my time to discuss the amendment when more Senators were present. I notice that there are only two or three Senators present in the Chamber now.

In my opinion, the foreign aid program most prone to further reduction is the Development Loan Fund. I wish that my good friend the junior Senator from

Maryland, who is now presiding, would listen to this.

Prior to last year, when Congress insisted on an increase in interest rates, this fund was making so-called loans at terms which provided for three-fourths of 1 percent interest for 40 years, with a 10-year grace period. Of course, Mr. President, I grant that it is not necessarily wasteful to make these so-called loans to underdeveloped countries if the funds are being used to attain sound economic objectives in the particular country. However, I believe it is becoming increasingly difficult for the Agency for International Development to find the type of projects that will enhance the economies of the underdeveloped nations. Evidence of this can be found in the large amount of deobligations and decommitments of loans previously made and also in the huge unobligated balances that existed in the development loan account at the end of fiscal year 1965.

Let us see what has been happening in the development loan account insofar as decommitments and deobligations are concerned. Through December 31, 1964, a total of \$271,511,672.16 had been decommitted or deobligated out of the Development Loan Fund, both old and new, and out of the Alliance for Progress loans. During the first 3 months of calendar year 1965—that is, January through March 31, 1965—a total of \$56,471,089.57 had been decommitted and/or deobligated in these same accounts. Mr. President, all one has to do is project what deobligations and decommitments will be for the remaining 9 months of calendar year 1965 to obtain the possible annual rate of deobligations and decommitments. If this computation is made, it will be found that during the coming year approximately \$225 million of loans previously made will be decommitted or deobligated. This means, then, that over and above the \$744 million which the committee is recommending for development loans in the bill before the Senate, another quarter of a billion dollars will be made available to finance loan programs in the coming fiscal year because of deobligations and decommitments.

Mr. President, I have here some examples of these deobligations. I do not want to read them all or put them all in the RECORD. However, I cite a few examples.

In the Philippines, we authorized \$5,300,000 for a pulp and paper mill. That money has not been spent because the sponsors withdrew the application. Thus that money is now available for reobligation and may be used in place of new funds.

In the same country, there was a return of an obligation of \$9,850,000. The reason for the decommitment is that it represented an unused balance of a fiscal year 1955 project commitment for \$50 million, which was terminated in June of 1961.

Also in the Philippines, there was a program for an industrial explosion plant. Loaned out was \$2,100,000—\$1,769,432 of that amount was returned because the company that obtained the

grant was dissolved. It could not proceed further. That means that our country will probably lose the difference because this company is now dissolved.

Mr. President, there are countless ex-

amples, I could cite, but I do not have time.

I ask unanimous consent that a few samples which are indicative of the amounts that have been first obligated,

deobligated, and then decommitted be printed at this point in the RECORD.

There being no objection, the samples were ordered to be printed in the RECORD, as follows :

EXHIBIT A

AGENCY FOR INTERNATIONAL DEVELOPMENT

Listing of amounts canceled, terminated, or reduced on old DLF liquidating account, new DLF, and Alliance for Progress loans

[As of Dec. 31, 1964]

Country and loan No.	Purpose	Amount authorized	Amount of agreement	Amount expended	Amount deobligated and/or decommitted		Remarks
					Decommitted	Deobligated	
LATIN AMERICA							
Argentina:							
510-A-003.....	Economic development.....	\$24,750,000	\$24,612,828.38	\$24,612,828.38	-----	\$137,171.62	Project completed.
510-A-004.....	Road loan—Routes 18 and 126.....	6,000,000	667,149.38	667,149.38	-----	5,332,850.62	Inadequate performance by the contractor.
Bolivia:							
511-A-001.....	Sugar mill.....	2,500,000	2,498,149.17	2,498,149.17	-----	1,850.83	Project completed.
511-II-022.....	Edible-oilseed mill and animal-feed plant.....	2,000,000	-----	-----	\$2,000,000	-----	Canceled because of the question of the market, and the withdrawal of interest on the part of the management firm.
Brazil:							
512-A-003.....	Resettlement project.....	240,000	210,266.36	210,266.36	-----	29,733.64	Project completed.
DLF 52.....	do.....	300,000	-----	-----	300,000	-----	Remarks will be furnished subsequently.
Chile:							
513-A-005.....	Airport design.....	300,000	103,237.00	103,237.00	-----	196,763.00	Originally 3 airports were to be designed. Borrower used DLF funds for 1 and its own funds for the other 2.
Colombia.....							
-----	Housing, resettlement, and penetration roads.....	5,000,000	-----	-----	5,000,000	-----	Portion of a \$25,000,000 DLF allocation for establishment of a housing bank for which the COC did not enact legislation establishing the institution.
Costa Rica:							
DLF 211.....	La Libertad Rd.....	125,000	-----	-----	125,000	-----	Loan made contingent upon an IDB loan for colonization. The IDB loan was never consummated.

515-A-002.....	Resettlement project.....	300,000	299,883.18	299,883.18	-----	116.82	Project completed.
Guatemala.....	Kenafi bag factory.....	400,000	399,217.15	399,217.15	-----	782.85	Do.
Haiti:							
521-A-001.....	Irrigation.....	4,300,000	4,251,675.23	4,251,675.23	-----	48,324.77	Do.
521-A-002.....	Highway engineering.....	300,000	298,720.00	298,720.00	-----	1,280.00	Do.
DLF 108.....	Sugar mill.....	3,000,000	-----	-----	3,000,000	-----	Remarks will be furnished subsequently.
Nicaragua:							
524-A-001.....	Public utilities.....	600,000	585,278.11	585,278.11	-----	14,721.89	Project completed.
524-L-007.....	Rural electrification.....	450,000	400,000.00	-----	60,000	-----	Remarks will be furnished subsequently.
Paraguay:							
526-A-004.....	Road improvement.....	2,500,000	2,499,936.65	2,499,936.65	-----	63.35	Project completed.
526-A-005.....	Modernization of operations.....	2,600,000	2,574,410.37	2,574,410.37	-----	25,589.63	Do.
526-A-008.....	Road improvement.....	7,750,000	7,100,000.00	6,353,692.03	650,000	-----	Original project costs overestimated; revised before obligation.
Peru:							
DLF 119-A.....	Savings and loan association.....	1,000,000	-----	-----	1,000,000	-----	Association was not willing to assume maintenance of value.
(—).....	Housing, resettlement, and penetration roads.....	6,700,000	-----	-----	6,700,000	-----	Portion of \$25,000,000 DLF allocation to be used in establishing a public institution to support private saving and loan associations; legislation never enacted.
527-A-019.....	Penetration roads.....	1,800,000	1,347,812.26	1,330,733.48	-----	452,187.74	Project overestimated; now completed.
Total, Latin America.		72,915,000	47,848,563.24	46,685,076.49	18,825,000	6,241,436.76	
FAR EAST							
China:							
484-A-004.....	Cement plant.....	3,000,000	2,992,220.97	2,992,220.97	-----	7,779.03	Project completed.
484-A-006.....	1st railway loan.....	3,200,000	3,026,024.34	3,026,024.34	-----	173,975.66	Do.
484-A-007.....	Expansion of shipyard.....	2,000,000	212,981.31	212,981.31	1,100,000	687,018.69	Loan reduced to \$900,000 in 1961. Company sustained heavy losses in construction of 2 oil tankers. It became apparent that it could not repay the loan and disbursements were stopped and the residual deobligated.

484-A-009.....	Improvement of fishing.....	686,000	683,374.65	683,374.65	-----	2,625.35	Project completed.
484-A-010.....	Production of aluminum.....	1,350,000	1,342,559.52	1,342,559.52	-----	7,440.48	Do.
484-A-012.....	Small industry loan fund.....	2,500,000	2,483,182.11	2,483,182.11	-----	16,817.89	Do.
484-A-014.....	2d railway loan.....	5,900,000	5,896,413.99	5,896,413.99	-----	3,586.01	Do.
484-A-020.....	Nanpu thermal power.....	20,500,000	14,910,000.00	14,273,941.82	-----	5,590,000.00	Procurement of equipment cost less than estimated due to competitive market.
484-A-024.....	Tachien Reservoir.....	40,000,000	234,417.94	234,417.94	-----	39,765,582.06	Original project changed for engineering reasons. Funds used for lower Tachien hydroplant and Linkou thermal plant under separate loans.

484-A-030.....	Shen Ao III thermal plant.....	21,500,000	20,600,000.00	5,106,216.84	-----	900,000.00	Cost less than estimated.
Indonesia:							
497-A-006.....	Railway rehabilitation.....	3,000,000	2,694,636.51	2,694,636.51	-----	305,363.49	Project completed.
497-A-009.....	Automotive parts plant.....	2,600,000	2,469,486.80	2,469,486.80	-----	130,513.20	Do.
Korea:							
DLF 95.....	Building materials.....	1,100,000	-----	-----	-----	1,100,000.00	Borrower (TEC PAN) proposed project changes with which AID did not agree.
DLF 182.....	Chemical plant.....	3,300,000	-----	-----	3,300,000	-----	Political difficulties of borrower (Puk Sam) precluded further AID involvement.

489-A-001.....	Cement plant.....	2,140,000	2,139,599.93	2,139,599.93	-----	400.07	Project completed, residual deobligated.
489-A-002.....	Telecommunications.....	3,500,000	3,491,279.69	3,491,279.69	-----	8,720.31	Do.
489-A-003.....	Chung Ju hydroelectric.....	1,500,000	1,114,631.44	1,114,631.44	-----	385,368.66	Do.
489-A-012.....	Nylon plant.....	3,200,000	3,138,000.00	3,130,464.65	-----	62,000.00	Do.
489-A-014.....	Pusan thermal electric power.....	20,900,000	20,310,881.00	18,964,419.92	-----	589,119.00	Do.
489-II-016.....	Procurement of diesel locomotives.....	8,300,000	6,388,391.10	6,388,391.01	-----	1,911,608.90	Do.

Listing of amounts canceled, terminated, or reduced on old DLF liquidating account, new DLF, and Alliance for Progress loans—Con.

[As of Dec. 31, 1964]

Country and loan No.	Purpose	Amount authorized	Amount of agreement	Amount expended	Amount deobligated and/or decommitted		Remarks
					Decommitted	Deobligated	
FAR EAST—continued							
Philippines: DLF 101 (—)	Pulp and paper mill (Project commitment)	\$5,300,000 9,850,000			\$9,850,000	\$5,300,000.00	Sponsors withdrew application. Represents unused balance of a fiscal year 1959 project commitment for \$50,000,000 which was terminated in June 1961.
492-A-004	Small industry loan funds	5,000,000	\$2,691,034.25	\$2,582,116.90		2,308,965.75	Funds were not being utilized because other sources of funds became available.
492-A-005	Roads and bridges rehabilitation.	18,750,000	15,235,305.00	7,493,316.37		3,514,695.00	Project was reorganized.
492-A-009	Industrial explosive plant	2,100,000	330,567.75	330,567.75		1,769,432.25	Company (Orval Chemical) dissolved.
Thailand: (—)	Thermal power	3,000,000			3,000,000		Remarks will be furnished subsequently.
Vietnam: 430-A-004	Vietnam Railway System	9,700,000	7,800,000.00	7,154,059.54		1,900,000.00	Loan project completed. AID is continuing assistance to VNRS.
430-A-005	Saigon-Cholon Water District System.	19,500,000	17,500,000.00	8,315,323.78	2,000,000		Remarks will be furnished subsequently.
Total, Far East		223,376,000	137,684,988.30	102,519,627.87	19,250,000	66,441,011.70	
NEAR EAST AND SOUTH ASIA							
Afghanistan: DLF 146	Aircraft acquisition	700,000			700,000		Remarks will be furnished subsequently.
Ceylon: 383-A-002	Irrigation and land development.	1,600,000	1,475,942.29	1,475,942.29		124,057.71	Aid to Ceylon discontinued.
383-A-003	Highway development	900,000	894,495.25	894,895.25		5,504.75	
383-A-004	Rehabilitation of highways	750,000	726,000.00	726,000.00		24,000.00	
383-A-007	Airport construction	3,200,000	165,080.00	165,080.00		3,034,920.00	
DLF 103	Ceylon cement plant	4,500,000			4,500,000		
Cyprus: 233-H-001	Equipment to consultants	2,275,000			2,275,000		The recent hostilities resulted in deobligation.
Greece: (—)	Athens-Thessalonica Highway.	13,000,000			13,000,000		Project application withdrawn by Government of Greece.
India: 386-A-006	Railway modernization	40,000,000	29,990,755.78	29,990,755.78	10,000,000	9,244.22	When loan of 40,000,000 was negotiated GOI anticipated this amount would suffice for steel procurement; however, due to price decreases the steel needed was covered by 30,000,000.
386-A-007	Roads, cement, and jute	35,000,000	34,939,161.14	34,939,161.14		60,838.86	Project completed; deobligation represents unused balance.
386-A-010	Railway modernization	35,000,000	34,991,053.12	34,991,053.12		8,946.88	Do.
386-A-011	Steel imports, public	18,000,000	17,908,152.49	17,908,152.49		91,847.51	Do.
386-A-012	Steel imports, private	22,000,000	21,924,345.96	21,924,345.96		75,654.04	Do.
386-A-014	Capital equipment, private	15,000,000	14,865,060.41	14,865,060.41		134,939.59	Do.
386-A-016	Steel imports	20,000,000	19,506,925.57	19,504,933.89		493,074.43	Do.
386-A-019	Thermal power	3,900,000	3,779,624.07	3,770,553.00		120,375.93	Do.
386-A-023	Road transport	13,100,000	13,072,990.08	13,072,990.08		27,009.92	Do.
386-A-029	Kanpur thermal power	1,600,000	1,512,587.74	1,512,587.74		87,412.26	Do.
386-A-046	2d Sharavathi hydroelectric	21,500,000	18,400,000.00	5,273,715.18		3,100,000.00	Government of India decided to finance turbines with French credit.
386-H-076	West coast papermill	6,300,000			6,300,000		This was a private project and after loan was authorized the private investor had a disagreement and the project collapsed.
Iran: 265-A-005	Plan organization, economic development.	47,500,000	45,912,478.24	45,912,478.24		1,587,521.76	Project completed.
DLF 181	Bandar Abbas port	12,000,000			12,000,000		Canceled at the request of the Government of Iran, which decided because of financial difficulties to postpone the project until the 3d plan.
Israel: 271-H-063	Development program (1st)	10,000,000	9,995,983.50	9,991,714.96		4,016.50	Project completed.
Jordan: 278-A-001	Electric power project	1,200,000	1,198,090.97	1,198,090.97		1,909.03	Project completed; deobligation represents unused balance.
278-A-002	Phosphate mine expansion	2,500,000	1,269,026.36	1,269,026.36	1,000,000	230,973.64	Government of Jordan elected to repay amount drawn down and refinance the project through other sources.
DLF 160	Development bank	1,000,000			1,000,000		Remarks will be furnished subsequently.
Lebanon: 268-A-003	Aluminum plant	400,000	369,590.05	369,590.05		30,409.95	Project completed; deobligation represents unused balance.
DLF 96	Electric powerplant	500,000			500,000		Remarks will be furnished subsequently.
(—)	Project commitment	12,000,000			12,000,000		Do.
Pakistan: 391-A-006	Water and sewerage	5,500,000	4,000,000.00	3,705,072.96		1,500,000.00	Karachi Development Authority notified AID that \$4,000,000 satisfied requirements for equipment under this project. Karachi Development Authority desired to use \$1,500,000 left for a balancing works. AID declined; considered not feasible at this time.
391-A-013	Power transmission lines	14,700,000	12,214,775.32	11,637,086.03		2,485,224.68	Project virtually completed; deobligation represents unused balance.
391-A-018	Jet runway	4,800,000	3,045,130.30	3,045,130.30	1,000,000	754,869.70	Project completed. Decommitment for \$1,000,000 based on decision that borrower did not need all of equipment.
391-A-022	Expansion gas treating plant	2,000,000	1,993,693.59	1,993,693.59		6,306.41	Project completed; deobligation represents unused balance.
391-A-035	3d railways	6,500,000	6,499,369.57	6,499,369.57		630.43	Do.
391-H-041	PICIC—4th	7,500,000			7,500,000		Decommitted because bank would not be able to fully utilize loan at this time. Sufficient funds still available under previous loans.

Listing of amounts canceled, terminated, or reduced on old DLF liquidating account, new DLF, and Alliance for Progress loans—Con.

[As of Dec. 31 1964]

Country and loan No.	Purpose	Amount authorized	Amount of agreement	Amount expended	Amount deobligated and/or decommitted		Remarks
					Decommitted	Deobligated	
NEAR EAST AND SOUTH ASIA—CON.							
Pakistan—Con. 391-H-042.....	Thermal power generating station.	\$26,000,000	\$18,900,000.00	\$13,628,472.79	-----	\$7,100,000.00	Reduction in the amount of the loan is due to an increased contribution by the borrower from its own resources to cover rising local costs.
391-H-044.....	Sui Gas Transmission, Ltd.....	2,800,000	-----	-----	\$2,800,000	-----	Borrower requested revisions which changed the scope of the project.
391-H-061.....	Dacca International Airport..	4,300,000	-----	-----	4,300,000	-----	The Government of Pakistan is proceeding with project with their own funds.
391-H-067.....	Balancing works, water and sewerage.	3,100,000	-----	-----	3,100,000	-----	Karachi Development Authority decided that the return on the investment would be insufficient to repay debt.
DLF 69.....	Port of Chalna.....	2,000,000	-----	-----	2,000,000	-----	Loan was authorized but subsequent to sending the letter of advice, the Government of Pakistan advised U.S. AID they desired certain items changed and substituted. DLF replied requested change, changed scope of project. Required justifications economic and technical were not submitted and loan offer was rejected.
(—).....	Grain storage.....	2,500,000	-----	-----	2,500,000	-----	Funds were earmarked but DLF received no application from the Government of Pakistan.
Syria: 276-A-001.....	Textile mill.....	1,000,000	699,997.00	699,997.00	300,000	3.00	Project completed; \$300,000 decommitted when DLF discovered that suppliers' credit had been available to finance some of the equipment which initially was to be financed by DLF 90.
276-A-003.....	Telecommunications.....	5,000,000	259,902.08	259,902.08	-----	4,740,097.92	This was a loan to Development Bank for a private business. The nationalization of industry killed off the need.
Turkey: 277-A-008.....	Aerial mineral survey.....	900,000	543,974.16	543,974.16	-----	356,025.84	Loan completed, deobligation represents unused balance.
277-A-015.....	Electric power distribution....	7,000,000	6,153,218.00	6,027,753.04	-----	846,782.00	Project completed. Borrower submitted request to utilize balance; however, AID considered the request beyond the scope of the loan, and since the TDD had expired deobligated this balance.
277-A-019.....	Railway construction.....	6,000,000	4,300,000.00	3,964,491.31	-----	1,700,000.00	Local funds substituted for foreign exchange.
277-H-037.....	Seflon nylon plant.....	1,800,000	-----	-----	1,800,000	-----	The private investor could not satisfy requirements for equity. Project canceled.
DLF 71.....	Plastics and carbide plant....	6,100,000	-----	-----	6,100,000	-----	Letter of advice authorizing a loan amount of 6,100,000 was forwarded Dec. 26, 1959; however, proposed partnerships between Monsanto Chemicals and Sucedison and De Nora of Italy was not consummated and therefore proposed borrower corporation was not formed. DLF could not execute loan agreement.
United Arab Republic (Egypt): 263-A-006.....	Development bank.....	7,000,000	2,500,000.00	2,282,472.63	-----	4,500,000.00	Private business has been nationalized and since there are no longer any potential borrower the loan was canceled.
263-A-007.....	Canning and freezing plant (Edfina).	450,000	200,000.00	170,061.28	250,000	-----	\$250,000 was reserved for the manufacture of cans by Edfina. Equipment had to be purchased in the United States. Egypt decided against this wanting to make use of a canning plant already existing.
DLF 142.....	Telecommunications.....	1,300,000	-----	-----	1,300,000	-----	United Arab Republic decided it did not want the project.
Total, Near East and South Asia.	-----	463,675,000	334,207,403.04	314,213,603.65	96,225,000	33,242,596.96	
Congo Repblle: 679-H-001.....	Road maintenance equipment.	2,700,000	-----	-----	2,700,000	-----	Deauthorized due to change in planned project scope and Cougo (B) political instability.
Ethiopia: 663-A-001.....	Cotton textile mill.....	500,000	499,999.94	499,999.94	-----	.06	Project completed.
663-A-003.....	Forestry development.....	180,000	20,965.37	20,965.37	-----	159,034.63	Borrower defaulted.
China: 675-II-003.....	Electrification project.....	2,400,000	-----	-----	2,400,000	-----	Deauthorized due to change in planned project scope.
Liberia: 669-A-002.....	Telecommunications.....	3,000,000	150,000.00	150,000.00	-----	2,850,000.00	DLF canceled loan due to unsatisfactory contractual arrangements.
Nigeria: 620-A-001.....	Warehouse construction.....	800,000	663,600.00	663,600.00	-----	136,400.00	Project completed.
620-A-002.....	Track relaying project.....	3,100,000	2,997,198.21	2,997,198.21	-----	102,801.79	Do.
Nyasaland: (—).....	Trans-Zambesia Railway.....	10,700,000	-----	-----	10,700,000	-----	Loan refused due to U.S. procurement requirement.
Sudan: 650-A-001.....	Textile mill.....	10,000,000	9,978,133.70	9,978,133.70	-----	21,866.30	Project completed.
Tanganyika: 616-A-001.....	Mwanza-Musoma Rd.....	1,900,000	1,898,400.00	1,898,400.00	-----	1,600.00	Do.
Total, Africa.....	-----	35,280,000	16,208,297.22	16,208,297.22	15,800,000	3,271,702.78	

Listing of amounts canceled, terminated, or reduced on old DLF liquidating account, new DLF, and Alliance for Progress loans—Con.

[As of Dec. 31, 1964]

Country and loan No.	Purpose	Amount authorized	Amount of agreement	Amount expended	Amount deobligated and/or decommitted		Remarks
					Decommitted	Deobligated	
EUROPE							
Spain:							
152-A-047	Hydroelectric plant	\$3,900,000	\$1,679,359.28	\$1,679,359.28		\$2,220,640.72	Do.
152-A-048	Electric switch gear	350,000	340,274.44	340,274.44		9,725.56	Do.
DLF 50	Irrigation equipment	7,700,000			\$7,700,000		Canceled since Government of Spain failed to contribute local currency for project.
(—)	GE Espanola—power generation.	1,200,000			1,200,000		Canceled since financing subsequently became available from other source.
Yugoslavia							
158-A-011	Diesel locomotives (1st)	5,000,000	4,992,250.34	4,992,250.34		7,749.66	Project completed.
158-A-014	Diesel locomotives (2d)	14,800,000	14,748,552.88	14,748,552.88		51,447.12	Do.
158-A-021	Diesel locomotives (3d)	5,200,000	5,174,639.10	5,174,639.10		25,360.90	Do.
Total, Europe		38,150,000	26,935,076.04	26,935,076.04	8,900,000	2,314,923.96	

SUPPLEMENT

Remarks for certain loans not provided in Dec. 31, 1964, report of cancellations, reductions of DLF and Alliance for Progress loans

Region, country, and loan No.	Purpose	Remarks
LATIN AMERICA		
Brazil: DLF 52	Resettlement project	The prospective borrower rejected the offer due to (1) pending lawsuits against its firm, (2) indefinite delay in obtaining roads and other utilities, and (3) increased costs of the new project.
Haiti: DLF 108	Sugar mill	After the loan approval was granted, the DLF Corporation discovered the borrower intended to sell the project and the offer was withdrawn.
Nicaragua: 524-L-007	Rural electrification	Borrower increased its contribution to the project and the loan authorization was accordingly reduced.
FAR EAST		
Thailand: (No loan number)	Thermal power	Export-Import became interested in financing the loan and it was agreed to cancel the funds earmarked for this project.
Vietnam: 430-A-005	Saigon-Cholon water distribution system.	Engineering reports indicated loan amount was overestimated and authorized amount reduced by \$2,000,000.
NEAR EAST AND SOUTH ASIA		
Afghanistan: DLF 146	Aircraft acquisition	Loans not implemented since it proved impossible to reach agreement with RGA concerning the utilization of the local currency to be repaid by the prospective borrower.
Jordan: DLF 160	Development bank	Banking facilities nationalized. DLF Corporation withdrew offer of loan.
Lebanon: DLF 96	Electric powerplant	Project independently financed by BCAIF (development bank) funded by DLF loan No. 99.
(No loan number)	Project commitment	USAID and officials of the Government of Lebanon recommended that the funds be de-earmarked.

EXHIBIT B

Listing of amounts canceled, terminated, or reduced on all DLF liquidating account, new DLF and Alliance for Progress loans for the period Jan. 1 through Mar. 31, 1965

Country and loan No.	Purpose	Amount authorized	Amount of agreement	Amount expended	Amount deobligated and/or decommitted		Remarks
					Decom-mitted	Deobligated	
LATIN AMERICA							
Bolivia: 511-L-016	La Paz-El Alto highway ..	\$3,900,000.00	\$3,900,000.00	.....		\$3,900,000.00	New Bolivian Government determined the project not to be of highest priority in its development program.
Brazil: 512-L-013	Feasibility studies	1,500,000.00	.....	.....	\$1,500,000	.....	
Colombia: 514-L-024	Procurement of commodities.	60,000,000.00	59,954,026.09	\$59,953,368.21	.....	45,973.91	Terminal date expired.
Ecuador: 518-A-006	Highway construction	4,700,000.00	4,700,000.00	3,704,184.19	.....	500,000.00	Loan agreement project overestimated. Decommitted for political reasons.
Unannounced loan authorizations.	.....	24,950,000.00	.....	.....	24,950,000	.....	
Total, Latin America	.....	95,050,000.00	68,554,026.09	63,657,552.40	26,450,000	4,445,973.91	

EXHIBIT B—Continued

Listing of amounts canceled, terminated, or reduced on all DLF liquidating account, new DLF and Alliance for Progress loans for the period Jan. 1 through Mar. 31, 1965—Continued

Country and loan No.	Purpose	Amount authorized	Amount of agreement	Amount expended	Amount deobligated and/or decommitted		Remarks
					Decom-mitted	Deobligated	
FAR EAST							
China:							
484-A-016-----	Telecommunications-----	\$, 000, 000. 00	\$2, 000, 000. 00	\$1, 978, 876. 73	-----	\$16, 123. 27	Project completed and funds not needed. Requirements less than original estimate.
484-H-026-----	Taiwan telecommunica-tions.	5, 200, 000. 00	5, 200, 000. 00	320, 878. 56	-----	1, 014, 453. 04	
Korea:							
489-A-012-----	Nylon plant-----	3, 138, 000. 00	3, 138, 000. 00	3, 130, 464. 65	-----	7, 535. 35	Project completed and funds not needed. Requirements less than original estimate.
489-H-015-----	Cement project-----	4, 250, 000. 00	4, 250, 000. 00	3, 872, 865. 33	-----	218, 036. 24	
Philippines:							
492-A-004-----	Small industry loan fund-----	2, 691, 034. 25	2, 691, 034. 25	2, 688, 055. 96	-----	27, 183. 76	Project completed and funds not needed.
Total, Far East-----		17, 279, 034. 25	17, 279, 034. 25	11, 891, 141. 23	-----	1, 283, 331. 66	
NEAR EAST AND SOUTH ASIA							
Ceylon:							
383-A-007-----	Airport construction-----	165, 080. 00	165, 080. 00	93, 002. 39	-----	72, 077. 61	Assistance to Ceylon discontinued. Greece has reached a development stage where it can get loans and credits from regular international sources without the necessity of relying on foreign assistance or concessionary terms.
Greece:							
240-H-021-----	Development bank-----	5, 000, 000. 00	5, 000, 000. 00	-----	-----	5, 000, 000. 00	
240-H-022-----	do-----	5, 000, 000. 00	5, 000, 000. 00	82, 682. 05	-----	4, 917, 317. 95	
India:							
386-A-019-----	Thermal power project-----	3, 779, 624. 07	3, 779, 624. 07	3, 770, 553. 00	-----	9, 071. 07	Project completed. Deobligation represents unused balance. GOI unable to give assurances that coal from Ramgarh would not be utilized by the Soviet-financed steel mill at Bokaro.
386-H-128-----	Ramgarh coal mine and coal washery.	8, 500, 000. 00	-----	-----	\$8, 500, 000	-----	
Israel:							
271-A-052-----	Telephone development-----	6, 000, 000. 00	6, 000, 000. 00	5, 979, 895. 12	-----	20, 104. 88	Project completed. Deobligation represents unused balance.
Pakistan:							
391-A-006-----	Water sewerage disposal-----	4, 000, 000. 00	4, 000, 000. 00	3, 771, 579. 30	-----	228, 420. 70	Do.
391-A-010-----	Railway rehabilitation-----	9, 100, 000. 00	9, 100, 000. 00	9, 019, 399. 86	-----	80, 600. 14	Do.
391-A-011-----	Karnafuli multipurpose dam.	20, 250, 000. 00	20, 250, 000. 00	17, 969, 652. 00	-----	2, 097, 000. 00	Do.
391-A-012-----	Land reclamation-----	15, 200, 000. 00	15, 200, 000. 00	14, 962, 035. 38	-----	229, 560. 66	Do.
391-A-017-----	Inland waterways-----	1, 750, 000. 00	1, 750, 000. 00	1, 719, 994. 27	-----	30, 005. 73	Do.
391-A-019-----	Development bank-----	10, 000, 000. 00	10, 000, 000. 00	9, 903, 279. 11	-----	96, 720. 89	Unused balance deobligated because PICIC has available funds under the more recent loan PICIC III.
391-A-020-----	Railway rehabilitation-----	22, 000, 000. 00	22, 000, 000. 00	21, 870, 695. 39	-----	129, 304. 61	Project completed. Deobligation represents unused balance.
391-H-039-----	Iron and steel imports-----	90, 000, 000. 00	90, 000, 000. 00	89, 055, 008. 80	-----	944, 481. 65	Do.
391-H-046-----	General commodity im-ports.	42, 000, 000. 00	42, 000, 000. 00	41, 326, 934. 69	-----	644, 193. 90	Do.
Turkey:							
277-A-019-----	Railway construction-----	4, 300, 000. 00	4, 300, 00. 000	3, 964, 491. 31	-----	316, 610. 70	Do.
Total, Near East and South Asia-----		247, 044, 704. 07	238, 544, 704. 07	223, 489, 202. 67	8, 500, 000	14, 815, 470. 49	
AFRICA AND EUROPE							
Ethiopia:							
663-A-005-----	Jet aviation facilities-----	3, 100, 000. 00	3, 100, 000. 00	2, 638, 512. 22	-----	461, 487. 78	Project completed. Do.
663-A-006-----	Road maintenance-----	3, 600, 000. 00	3, 600, 000. 00	3, 311, 558. 50	-----	248, 742. 29	
Yugoslavia:							
158-A-012 (DLF 84)-----	Kosovo thermal electric, phase I.	9, 000, 000. 00	9, 000, 000. 00	8, 733, 916. 56	-----	266, 083. 44	Do.
Total, Africa and Europe-----		15, 700, 000. 00	15, 700, 000. 00	14, 683, 987. 28	-----	976, 313. 51	

Mr. ELLENDER. Mr. President, here is another nice amount that we made available to Iran, oil rich Iran, for the purpose of constructing a port at Bandar Abbas, we made a loan of \$12 million. The sum was later decommitted. The reason given was, "Canceled at the request of the Government of Iran. It was decided, because of financial difficulties, to postpone the project until the Third Plan."

What that means is that we offered that sum on certain conditions, and Iran was unable or unwilling to meet those conditions. I presume we had asked them to pay so much, but they could not pay it. Probably they wanted us to grant the entire amount. Anyway, it was canceled.

There are any number of programs and projects similar to the ones I have cited, which have been decommitted or

canceled; and all that money is now available for loaning. That sum will be added to the huge sum now requested and provided for in the pending bill.

As I pointed out, further evidence of the inability of the Agency to find sound economic projects to be funded by loan can also be found in the huge unobligated balance which existed in the development loan account at June 30, 1965.

It is indicated in the committee report that these balances amounted to \$91,292,000 at the end of fiscal year 1965. In this connection, I should point out that at April 30, 1965, the AID had been able to obligate only 55 percent of the funds available for development loans during that fiscal year. During the last 2 months of fiscal year 1965, approximately \$271 million was obligated for development loans, out of a total availability of \$822 million. Thus, approxi-

mately 33 1/3 percent of the funds available were obligated in the last 2 months of the fiscal year.

It was possible for the Agency to obligate such a large amount of funds in the last 2 months of the fiscal year because section 103 of the general provisions of the bill now before the Senate does not apply to the development loan account. As Senators know, section 103 provides that not more than 20 percent of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.

But I submit that, notwithstanding it being within the law to obligate more than 20 percent of the development loans in the last 2 months of the fiscal year, the actual obligation of 33 1/3 percent of the funds of the development loan account in the last 2 months indicates poor

programing and great inefficiency in administration.

I reiterate that that is why so much of this fund has been decommitted. However, the money was obligated in advance before the year expired, so that it could be said that the money left over was little or nothing. Yet, as I pointed out, for them to have obligated a third of the full amount appropriated during that fiscal year in the last 2 months of the program showed, in my opinion, poor management.

I am confident that a considerable amount of this 33½ percent that has been obligated in May and June of 1965 will be deobligated during fiscal year 1966 simply because the obligations were really never firm and the agency is having difficulty finding worthy economic projects requiring development loan financing.

Mr. President, let us not kid ourselves. The development loan program that is submitted to Congress each year is completely illustrative. There is hardly anything in it that will really come to be. Those programs that eventually come into being bear little resemblance to the evanescent illustrative programs presented to Congress each year.

In some of the countries for which development loan funds are requested, the amount of development loan assistance seems to be deliberately understated. This understatement usually takes place in countries which are highly developed and really should not even be on the dole. An outstanding example of a country in this category is Israel.

In fiscal year 1965, the AID program for Israel which was submitted to the Congress indicated that the development loan program would amount to a low range of zero and a high range of \$10 million. Actually, development loans made to Israel in fiscal year 1965 amounted to \$20 million.

The money is supposed to help underdeveloped countries. The people in Israel are as well provided for as are our own people. The people in Israel have a high per capita income. The economy of Israel is patterned after our own economy. Yet we are making soft loans to a country that is very well developed.

An \$8 million loan was made to Israel to meet the foreign exchange costs of imports, of capital equipment, and materials for the country's investment program. Another loan was made to this country in the amount of \$12 million to assist the Government of Israel implement its agricultural development plan by providing foreign exchange for machinery and equipment to increase mechanization of farming and control of irrigation water.

Mr. President, there is no excuse for making these loans to Israel out of the Development Loan Fund. I concede that the loans were made for worthy purposes. I grant that they were made to obtain excellent economic objectives, but the bank that should have financed these loans was the Export-Import Bank and not the Development Loan Fund. Israel is a prosperous country and able to service loans from the Export-Import Bank. There is no need to make soft loans out

of the Development Loan Fund to this highly developed nation.

In fiscal year 1964, the development loan presentation to the Congress indicated that the loan program contemplated for Israel was a low range of zero to a high range of \$20 million. Loans finally made in fiscal year 1964 aggregated \$45 million. In this connection, I would like to refer to the foreign assistance hearings held before the Senate Appropriations Committee last year; not the hearings just recently concluded by the committee.

On page 437 of last year's hearings, the acting chairman, Senator PASTORE, interrogating Mr. Gaud of AID, stated:

Senator PASTORE. Looking back to the Israel loan of last year, it was contemplated to be \$15 or \$20 million and finally ended up under the revised program of \$45 million.

Mr. GAUD. Yes, sir.

Senator PASTORE. Why was that increased? What accounted for that?

Mr. GAUD. As you know, Mr. Chairman, these requests are made a long time in advance and in February of 1962 when we made up that request we were hopeful that \$15 or \$20 million would fill the need as far as Israel was concerned, but we were persuaded before the fiscal year was out that Israel's foreign exchange, balance of payments, and her entire economic position was such as to justify \$45 million, which was the same amount we had given her the year before.

Mr. President, it is the same old story year after year: to deliberately understate the loan program for some of the prosperous countries, and to overstate the program in those countries where there is a need for development loan funds; a need—I might add—that is not difficult to justify to Congress. Countries falling in this category—just to name two—are India and the Philippines.

The Philippines, for instance, was scheduled to receive \$15 million of development loans in fiscal year 1965 but, subsequently, after Congress had acted on the AID program the Philippines loan program was revised downward to zero. In taking this action, the Agency for International Development pointed out:

The Philippine development loan applications, which were expected to be received during fiscal year 1965, did not materialize because the preliminary surveys had not been completed and the Philippine Government could not raise the local funds required for other potential AID loan projects.

In the case of India for fiscal year 1965, this huge country was programed to receive \$385 million of development loans. This sum was later revised downward to \$350 million.

Mr. President, I submit that the Agency for International Development should be admonished to cease and desist deceiving Congress. The way to effect this admonishment is to cut back the development loan funds in this bill. I believe that programs presented in the justifications to Congress, while being illustrative, should really square with the intent of the Agency instead of being meaningless window dressing in order to get the Congress to act favorably on the requests for appropriations. The practice of understating aid to be granted to prosperous countries, and overstating aid to be granted to those in dire need, must end immediately.

I believe that AID has really been in the business long enough now to have obtained sufficient experience and it has on hand a sufficient number of loan applications to present to Congress a sound and meaningful aid program for development lending. There really is no excuse for inflating and deflating the request for loan funds, which appears to be done solely for the purpose of manipulating votes in Congress.

Mr. President, another appropriation account in this bill that is overfunded is the general contingency fund. Mr. President we must call this contingency fund the general contingency fund because, for the first time in the foreign assistance appropriation bill, we now have a second slush fund, which is known as the special contingency fund for southeast Asia. Lest anyone be confused, I am not now addressing my remarks to the special contingency fund for southeast Asia, which is also in this bill and is funded to the tune of \$89 million. Rather, I am addressing my remarks to the general contingency fund, which is funded to the extent of \$50 million.

Mr. President, for years, I, along with other Members of Congress and especially of the Senate, have put forth considerable effort to stop the abuses in the uses of the general contingency fund. This fund was initially established in 1958 to give the President the funds he required to provide help in any economic, political, or natural emergency abroad, in order to further the general objectives of the then existing mutual security program. It was not to be used for military contingencies. The same language contained in the Mutual Security Act was brought forth as section 451 of the Foreign Assistance Act of 1961, as amended, and it reads as follows:

SEC. 451. CONTINGENCY FUND.—There is hereby authorized to be appropriated to the President for the fiscal year 19__ not to exceed \$_____ for use by the President for assistance authorized by part I in accordance with the provisions applicable to the furnishing of such assistance, when he determines such use to be important to the national interest.

Part I referred to in section 451 is that part of the Foreign Assistance Act of 1961, as amended which is concerned with economic assistance to foreign countries. Part I of the Foreign Assistance Act has absolutely nothing to do with the granting of military assistance, which is provided for in part II of the aforesaid act. Nevertheless, a review of the uses to which the section 451, contingency fund, has been put over the past 2 fiscal years would lead one to conclude otherwise.

Let us take a look at the uses of the resources of the contingency fund during these years, bearing in mind that since its creation 6 years ago the contingency fund has been similarly abused.

In fiscal year 1964, there were funds available in the general contingency fund of \$184,774,000. During the course of that year, these funds were put to use in both the military and economic areas notwithstanding the fact that the contingency fund was supposed to be used for economic purposes only.

During fiscal year 1964, \$75 million was transferred to the military assistance program; \$50 million was loaned to Brazil for the procurement of essential commodities; \$38 million was made available to Vietnam for commodities for the counterinsurgency program and commercial import program; \$8,850,000 was made available for air support costs and subsistence and other commercial consumables; \$2,724,000 was made available for U.N. peacekeeping in Cyprus; \$3,400,000 was made available to Bolivia for budgetary support; and only \$4 million was made available for the relief of victims of natural disasters and civil strife in countries throughout the world. By the end of fiscal year 1964, a small unobligated balance of only \$800,000 remained in the contingency fund.

Mr. President, I ask unanimous consent to have printed in the RECORD exhibit C, which explains this point.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT C

Status of fiscal year 1964 contingency fund as of June 30, 1964 (preliminary)

[In thousands of dollars]

RESOURCES	
Appropriation-----	50,000
Other availabilities:	
Unobligated carryover-----	127,099
Reimbursements-----	2,400
Recoveries (deobligations)-----	5,275
Total-----	134,774
Total available-----	184,774

USES

Sec. 610 transfer to other appropriations:	
To military assistance program-----	75,000
To American schools and hospitals abroad-----	1,600
Total-----	76,600
Obligations ¹ -----	107,428
Unobligated balance-----	746
Total-----	184,774

¹ Contingency fund obligations:

Laos: Air support costs and subsistence, and other commercial consumables-----	Amount \$8,850
Thailand: Costs in connection with U.S. Army portable transmitter loaned to Thai Government-----	300
Vietnam: Commodities for counterinsurgency program and commercial import program-----	38,026
Bolivia: Funds for budgetary support-----	3,412
Brazil: Loan for procurement of essential commodities-----	50,000
Panama: A and E services shortfall for school construction-----	150
U.N. peacekeeping—Cyprus: To meet U.S. pledge to U.N. peacekeeping force in Cyprus-----	2,724
Disaster relief: Relief of victims of natural disasters and civil strife-----	3,966
Total obligations-----	107,423

Mr. ELLENDER. In fiscal year 1965, Congress appropriated \$99,200,000 for the general contingency fund and with the carryover of \$800,000 from fiscal year 1964, a total of \$100 million should have been available for fiscal year 1965. But

because of deobligations, the \$800,000 unobligated balance was swollen to a figure of \$6,800,000 so that in excess of \$106 million was available for the contingency fund in fiscal year 1965.

And how were these funds used, Mr. President?

Remember, as I have said, that this contingency fund was to be used, as I understand the law and the rules, for economic assistance. But listen to how it was used.

Once again, a transfer was made to the military assistance program. This time the amount was \$55 million: \$5,800,000 was used in British Guiana; almost \$21 million was used in the Dominican Republic; \$5½ million in Panama for budgetary support; \$15 million in Vietnam; once again, \$5 million for peacekeeping in Cyprus; and a little over \$4½ million for natural disasters. It would appear to me that the bulk of these funds has been used to fund situations that were not contemplated in section 451 of the Foreign Assistance Act of 1961, as amended.

I ask unanimous consent that there may be printed in the RECORD at this point an exhibit marked "D" which explains the situation.

The PRESIDING OFFICER (Mr. HARRIS in the chair). Without objection, it is so ordered.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT D

ECONOMIC ASSISTANCE

Status of fiscal year 1965 contingency fund as of June 20, 1965 (preliminary)

[In thousands]

RESOURCES	
Appropriation-----	\$99,200
Other availabilities:	
Unobligated carryover-----	3,160
Recoveries (deobligations)-----	13,004
	16,164
Total available-----	115,364

USES

Section 610 transfer to other appropriations:	
To military assistance program-----	55,000
Obligations-----	¹ 57,506
Unobligated balance-----	2,858
	115,364

¹ Contingency fund obligations:

	Amount
British Guiana-----	\$5,800
Dominican Republic-----	20,710
El Salvador-----	2,000
Panama-----	3,500
Panama-----	500
Tunisia-----	145
Vietnam-----	15,000
U.N. peacekeeping—Cyprus-----	5,052
Dominican Republic-----	133
Disaster relief-----	4,666
Total-----	57,506

REMARKS

Rehabilitation and maintenance of roads, seawalls, and the international airport.

Relief and rehabilitation to prevent economic deterioration.

Budgetary support to facilitate emergency earthquake reconstruction efforts.

Loan for budgetary support.

Grant for budgetary support.

Rehabilitation of railroad bridge washed out by floods.

Provision of essential commodities for the civil economy.

U.S. pledge for emergency peacekeeping in Cyprus.

U.S. contribution to special OAS fund for emergency assistance.

Relief of victims of natural disasters and civil strife.

Mr. ELLENDER. But even if all of the obligations in the various countries could be justified, surely the transfers to military assistance aggregating \$130 million over the past 2 years from the contingency fund cannot possibly be sanctioned. Because the fact is that there is a source of funds already provided under the Foreign Assistance Act to take care of any military contingency that may fortuitously occur during the year.

Section 510(a) of the Foreign Assistance Act gives the President special authority to use up to \$300 million for contingencies that may develop in any particular year should he determine that it is vital to the security of the United States that such be done. And section 510(b) provides that:

The Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursements in amounts equivalent to the value of such orders under subsection (a) of this section. Appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for such orders are hereby authorized.

The authority granted to the President under section 510 has been available since the passage of the Foreign Assistance Act of 1961 but has never been used until just a few months ago when, for the first time, \$75 million of military assistance was furnished under section 510. The reason why the President had to use section 510 this time was that he ran out of the funds provided for contingencies for economic assistance.

In this connection, I wish to point out that such would not have been the case if I had not offered an amendment last year on the floor of the Senate to reduce the contingency fund by \$50 million. I submit that if this \$50 million had not been cut from the contingency fund, it would have been transferred to military assistance by the President in fiscal year 1965.

Bear in mind that this money was transferred to countries that were never named in the Foreign Assistance Act.

In the past, rather than use section 510 and thereby be compelled to justify it to the Congress—even though it is true it will be after the fact—any uses of funds for military contingencies, the President has consistently thwarted the initial intent of Congress and made transfers to military assistance from funds that were appropriated for uses in the economic aid area.

Just how does it become possible for the intent of Congress to be circumvented by the President if section 451 funds are supposed to be used for economic purposes? How can he make transfers to military assistance? It is really not a simple matter and a considerable amount of legal gymnastics is

employed to effect the transfer of large amounts of contingency funds to military purposes. To understand the tortuous process, it is necessary to review other sections of the Foreign Assistance Act.

One can start with section 610 of the Foreign Assistance Act of 1961, as amended, which permits only up to 10 percent transfer of funds from one appropriation account to another. Thus, during fiscal year 1965, if one looks only at section 610 it would seem that it would have been possible to transfer approximately \$10 million from the contingency fund to military assistance since only \$106 million was available in the contingency fund. Nevertheless, the President was actually able to transfer, and did transfer, \$55 million in fiscal year 1965—and that in direct contravention of the law. To understand this, we must go to the next step in the legal labyrinth which is found in section 614(a) of the Foreign Assistance Act. This section, when read in conjunction with section 610, gives the President all the flexibility he needs in the obligation of foreign aid funds and permits Congress to abdicate any responsibility it may have under the Constitution to control our Nation's purse strings.

Mr. President, I would like to read to Senators the precise language of section 614(a) of the Foreign Assistance Act of 1961, as amended:

Sec. 614. Special Authorities.—(a) The President may authorize in each fiscal year the use of funds made available to use under this Act and the furnishing of assistance under section 510 in a total amount not to exceed \$250,000,000 and the use of not to exceed \$100,000,000 for foreign currencies accruing under this Act or any other law, without regard to the requirements of this Act or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), in furtherance of any of the purposes of such Acts, when the President determines that such authorization is important to the security of the United States. Not more than \$50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year.

It should be clear that this language gives the President carte blanche to shift funds from any appropriation account of the foreign assistance bill to any other appropriation accounts for the foreign assistance bill just as long as no one particular country is granted more than \$50 million of the funds transferred.

I might point out, Mr. President, that it is for this reason that the amount loaned to Brazil from the contingency fund in fiscal year 1964 was limited to \$50 million. If the limitation of \$50 million were not written into section 614(a) of the Foreign Assistance Act of 1961, as amended, chances are that this loan would have been for a considerably larger sum.

In view of what has been done with the contingency fund over the years, I am firmly convinced that the contingency fund should be minimal, and I feel that for fiscal year 1966 not more than \$20 million should be allowed to take care of the disasters that occur throughout the world, whether they be economic, political, or natural. Thus, I feel that

the \$50 million recommended by the committee for the contingency fund is \$30 million more than is required.

If funds and equipment are needed to provide internal security where Communist subversion threatens, then the President can use the \$300 million provided in section 510(a). In addition, if the funds provided under section 510(a) should prove insufficient, there are available under section 610 and section 614(a) of the Foreign Assistance Act of 1961, as amended, authorities to make further millions available for use in the event that disaster or subversion threatens any nation of the free world.

It is time for us to put into effect many of the sound recommendations made by various committees and individuals to improve the foreign assistance program. To tighten up on the general contingency fund is an excellent place to make a beginning to improve the foreign aid program.

Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum, with the time for the quorum call to be charged to my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I ask for the yeas and nays on the first amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. I ask that the yeas and nays be ordered on all three amendments. If Senators will remain here for the next 10 or 15 minutes we can dispose of all three amendments.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second, and the yeas and nays are ordered on the three amendments.

Mr. PASTORE. The first amendment that is pending would provide for an across-the-board cut of \$100 million in military assistance. As I have indicated this afternoon—and I do not wish to repeat myself—this would be a disastrous cut. The Senate has just rejected the amendment which would have provided for a larger reduction of \$292 million. This is \$100 million, across the board.

I sincerely hope that the Senate will reject it.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

I spoke for over an hour trying to explain the three pending amendments, but there were only about four Senators present.

This cut that I am seeking to make now would reduce the military assistance in 17 countries to what it was last year.

We would increase the military assistance to certain Latin American countries under the pending bill. It would be in-

creased in those countries by \$7,806,000 over last year.

With respect to Ethiopia and Spain, my amendment, if adopted, would prevent an increase of \$17 million.

As I said before, I am not proposing to reduce by one nickel the amount provided for South Vietnam. That amount is not touched at all. The \$100 million cut would affect only the increases that the bill would make to certain countries. I cannot state the amounts to be increased for each country because that is secret. But if Senators knew the amounts that were added to the various countries and the reasons for so doing, I feel certain that they would vote for my amendments.

I hope the amendment will be adopted. It would save much needed money.

I reiterate that this cut would not affect any country that is now at war. It will affect only countries that we have been assisting for the past 15 or 20 years and some countries that have been newly added to the list.

I hope the amendment will be adopted.

Mr. PASTORE. Mr. President, the President, the Senator from Louisiana has just put his finger on the reason why his amendment should not be adopted. When the Secretary of Defense, through his assistant, appeared before the committee, together with the Chairman of the Joint Chiefs of Staff, the Senator from Rhode Island took each of the classified figures that have been mentioned by the Senator from Louisiana and asked for a detailed, line-by-line explanation of why certain small increases were being made. It is too bad that we cannot speak of secret or classified figures on the floor of the Senate. Possibly much of the confusion that exists on the floor of the Senate could be avoided if Senators, at any time the committee holds a meeting in executive session on highly classified matters, would attend such meeting to learn firsthand why some of the projects are being recommended by the subcommittee and by the Committee on Appropriations itself.

A question has been raised about Taiwan. I cannot say what kind of equipment is necessary for Taiwan or speak about some of the things that are being done over China. It is unfortunate that we cannot talk about that.

All I say is that if we create the impression in Peiping that we will allow Taiwan to have obsolete equipment, we will see a move by Peiping toward Taiwan. We will begin to see pressures applied in the cunning, subtle way that only Communists know how to employ. Let the Communist world begin to think that we will lie down and relax with respect to modernizing some of the equipment our friends have to hold back an onslaught of communism, and we will begin to see the penetration and probing to which Communists are accustomed.

The committee has examined into this subject thoroughly. Senator PASTORE does not favor the squandering of money. I asked for explanations. When Senators read the hearings and come to important parts which read "Deleted, Deleted, Deleted," and ask, "Why?" the

answer is that the information is secret. After all, if any Senator has a need to know, I urge him, I implore him, I beg him to visit with the Secretary of Defense and with the Chairman of the Joint Chiefs of Staff to get the answers.

Every nickel that we have recommended for this purpose in the budget has been thoroughly and completely justified. If it is the conscience of the Senate to reduce the amount by \$100 million, I suppose that will be the verdict. But I say, as I said with respect to the amendment to cut \$292 million, do not handcuff the President now. It is too important in the history of mankind. Do not handcuff or handicap foreign aid here. Do not start to make meat-ax cuts.

Senators may say that a certain amount of money is in the pipeline. So much the better. I say that money will always have to be in the pipeline. We know that. When we return next year, God willing, there will still be a pipeline. This money is for the security of the free world and for the security of America. Let us not this afternoon indiscriminately make a cut of \$100 million merely because we think we can go home and boast, "I voted to cut \$100 million." Do Senators know what their constituents will say? They will say, "If you were that smart, why did you not kill the whole foreign aid bill?"

There is no glory, political or otherwise, in piecemeal cuts. There is no personal glory in this bill for PASTORE.

As I said earlier today, when I go home, no matter how successful I am, no flags will be flown at my house.

But my home will be more secure if we keep our land secure.

This cut would be a crucial, serious, dangerous cut. Speaking as the manager of the bill and speaking for the administration, I urge Senators not to do it.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. LAUSCHE. I wish to make one observation about military aid to South America. The \$78 million provided in the appropriation bill is less than the amount provided 5 years ago. That issue has been argued in the Committee on Foreign Relations.

Mr. PASTORE. An attempt was made in committee to cut the amount by \$25 million. It lost by only two votes.

Mr. LAUSCHE. The \$78 million is less than the amount provided for South American countries 5 years ago. The argument has been: Do not give to the South American countries any money for military purposes. To do so would be harmful to our country.

In the Committee on Foreign Relations we have reduced the amounts so that the amount that has now been recommended is less than it was a half decade ago.

Mr. PASTORE. Mr. President, I yield to the Senator from Iowa.

Mr. MILLER. Mr. President, the Senator from Iowa is not clear on this amendment. The amendment at the desk would cut the figure of \$1.070 billion for military assistance.

Mr. PASTORE. It would cut it from \$1.170 to \$1.070 billion. It would be a reduction of \$100 million.

Mr. MILLER. The Senator is correct. That is all it would do. Now we talk about Taiwan and some of the other countries. I fail to understand how the amendment which would merely cut the figure is necessarily related to Taiwan or any other foreign country.

Mr. PASTORE. I used Taiwan as an example. The same thing would apply to other countries.

What the Senator from Rhode Island is saying is that if we were to create the impression abroad among the Communist world that we were relaxing our modernization program for our allies, we would be inviting encroachment on the part of communism. As I said today, creeping communism would become galloping communism.

Mr. MILLER. I share the viewpoint of the Senator from Rhode Island and the feeling that it would create such an impression in Communist China. However, when \$100 million is cut out of this total—and nothing more is said in the amendment—I do not quite understand how we can conclude that Taiwan, or any particular country, would be affected by this cut.

I thought that perhaps the Senator from Rhode Island could tell us why.

Mr. PASTORE. The Senator from Louisiana made that argument. He made the argument that we are adding more money for Taiwan; and it is more money than last year. I explained why it should be so. I gave that as an example. We can run down the list, and the same argument would apply.

Mr. MILLER. Mr. President, if the Ellender amendment were to carry, would there be discretion in the administration as to the allocation of the \$1,070 million, so that the administration could use it wherever it thought desirable?

Mr. PASTORE. The Senator is correct. However, somebody's toes would have to be stepped on. When we take 1 quart out of a gallon, we end with only 3 quarts. Let us face it; it must be taken out of somewhere.

Mr. ELLENDER. Mr. President, to answer the Senator, nine of the countries in South America received \$37,922,000 in fiscal year 1965. This measure would give them almost \$8 million more than last year.

Mr. LAUSCHE. It would be an increase over last year?

Mr. ELLENDER. The Senator is correct. It has increased by almost \$8 million.

Mr. LAUSCHE. But it is not an increase over what it was 5 years ago.

Mr. ELLENDER. In the Far East, we are increasing the amount of military aid to countries other than South Vietnam.

In the Near East, in Greece, Iran, Pakistan, and Turkey, we are giving them now a quarter of a billion dollars. The plan is to increase that amount.

My plea is that the amount which we have given them in the past should be enough. I point out again that not one single solitary dime is proposed to be taken away from South Vietnam.

Mr. PASTORE. Mr. President, I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

The VICE PRESIDENT. All time having been yielded back, the question is on agreeing to the first amendment offered by the senior Senator from Louisiana. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SMATHERS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Maryland [Mr. TYDINGS] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Minnesota [Mr. MONDALE], the Senator from New Mexico [Mr. MONTROY], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. FANNIN], the Senator from Kansas [Mr. PEARSON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from Pennsylvania [Mr. SCOTT] would vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Massachusetts would vote "nay."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Arizona [Mr. FANNIN]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Arizona would vote "nay."

On this vote, the Senator from Wyoming [Mr. SIMPSON] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 35, nays 47, as follows:

[No. 271 Leg.]

YEAS—35

Bayh	Fong	Nelson
Bible	Fulbright	Prouty
Burdick	Gruening	Proxmire
Byrd, Va.	Hruska	Randolph
Byrd, W. Va.	Jordan, N.C.	Robertson
Church	Jordan, Idaho	Russell, Ga.
Clark	McClellan	Symington
Cotton	McGovern	Talmadge
Douglas	Miller	Williams, Del.
Eastland	Morse	Young, N. Dak.
Ellender	Morton	Young, Ohio
Ervin	Mundt	

NAYS—47

Aiken	Cannon	Dominick
Allott	Carlson	Harris
Bartlett	Case	Hart
Bass	Cooper	Hartke
Boggs	Dirksen	Hayden
Brewster	Dodd	Hickenlooper

Hill	Magnuson	Pell
Holland	Mansfield	Ribicoff
Inouye	McGee	Russell, S.C.
Jackson	McNamara	Smathers
Javits	Metcalf	Smith
Kennedy, Mass.	Monroney	Stennis
Kennedy, N.Y.	Moss	Thurmond
Kuchel	Murphy	Williams, N.J.
Lausche	Muskie	Yarborough
Long, Mo.	Pastore	

NOT VOTING—18		
Anderson	McCarthy	Saltonstall
Bennett	McIntyre	Scott
Curtis	Mondale	Simpson
Fannin	Montoya	Sparkman
Gore	Neuberger	Tower
Long, La.	Pearson	Tydings

So Mr. ELLENDER's first amendment was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MORTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, if the Senators will remain in the Chamber, we have two more votes coming up in rather rapid succession. Then I hope we can proceed to the third reading.

Mr. ELLENDER. Mr. President, I call up my second amendment, and ask that it be stated.

The VICE PRESIDENT. The clerk will state the amendment.

The legislative clerk read as follows:
On page 3, line 5, strike out "\$593,225,000," and insert in lieu thereof "\$543,225,000."

Mr. ELLENDER. Mr. President, the effect of this amendment—

The VICE PRESIDENT. How much time does the Senator yield himself?

Mr. ELLENDER. I yield myself 5 minutes.

Mr. President, the effect of this amendment is to cut from the general development loan fund, the sum of \$50 million.

I have explained at length why I believe the amendment should be adopted. In the first 3 months of this year, deobligations amounted to \$56 million. Over the past years, there has been deobligated and decommitted almost \$300 million.

We are providing for a sum of \$744,-517,000, which, with the deobligated amount, will mean that the AID Administrator will have in excess of \$1 billion to lend, in fiscal year 1966.

Considering the fact that so much of these funds has been deobligated, I think we could easily cut this program by at least \$50 million.

I shall cite a couple of examples which are included in the data I previously included in the RECORD. In the Philippines, there was obligated \$5,300,000, and that sum remained idle for some time, but was finally deobligated overnight. All that money, of course, was returned to the development loan fund for relending.

Also in the Philippines, we loaned \$2,-100,000 to an industrial explosives plant which was later deobligated, because the company that had borrowed the money was dissolved.

Mr. President, as I pointed out during my presentation, we have actually decommitted almost \$300 million in loans

previously made, and as I pointed out further, in the last 2 months of the last fiscal year, only a third of the money available for loans was obligated.

There is no question in my mind that by obligating these sums so swiftly that mistakes are bound to be made. I urge Senators to vote for my amendment so that we may at least save \$50 million.

Mr. PASTORE. Mr. President, I shall need only 2 or 3 minutes to reply. I would hope that the amendment would be defeated. I realize that there has been some deobligation. But there has been some deobligation every year. This has been true in previous years more so than this year. It is usual practice and common knowledge. But the committee took all of that into account. It cut the development loan generally, from the estimates of the administration, by \$132 million.

The job has been done by the committee. It has not come up with an astronomical figure over and above anyone else's estimate. The committee cut it below the estimate. It cut it even below the estimate of the House figure on the development loan. I say that we have cut it down to the bare bone. Now we will be getting into the marrow.

A long time ago we decided that the answer was loans, not grants, not giveaways, but borrowing and lending.

I realize that we make many concessions when it comes to the interest element. I have heard all these arguments time and again, but I am saying to the Senate this afternoon that we are aware there has been deobligation, as there should be. That is good administration. We took that all into account, and that is why we cut the development loan by \$132 million.

The committee did its job. It did not do its job by cutting the \$132 million so that it could be compromised down further and sliced another \$50 million. The committee did the job as it saw it, and cut it down to the bone.

I believe that it would be dangerous and serious to cut it any further, and I hope that the amendment will be defeated.

Mr. SYMINGTON. Mr. President, will the Senator from Louisiana yield?

The VICE PRESIDENT. Who yields time to the Senator from Missouri?

Mr. ELLENDER. I am glad to yield to the Senator from Missouri.

Mr. SYMINGTON. I would ask a question of the Senator from Louisiana [Mr. ELLENDER]. Are we talking about loans of 40 or 50 years' duration, with no interest charge, and no repayment of principal for 10 years?

Mr. ELLENDER. The Senator is correct.

Mr. SYMINGTON. Then actually we are not talking about loans at all. We are talking about grants.

The VICE PRESIDENT. The question is on agreeing to the second amendment of the Senator from Louisiana.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SMATHERS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Minnesota [Mr. MONDALE], the Senator from New Mexico [Mr. MONTOLYA], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. ROBERTSON] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. FANNIN], the Senator from Kansas [Mr. PEARSON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Nebraska [Mr. CURTIS], and the Senator from Arizona [Mr. FANNIN] would each vote "yea."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Texas would vote "yea" and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Wyoming [Mr. SIMPSON] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 29, nays 53, as follows:

[No. 272 Leg.]		
YEAS—29		
Bartlett	Ellender	Murphy
Bible	Ervin	Russell, S.C.
Boggs	Fong	Russell, Ga.
Burdick	Gruening	Stennis
Byrd, Va.	Hruska	Symington
Byrd, W. Va.	Jordan, N.C.	Talmadge
Cotton	Jordan, Idaho	Thurmond
Dirksen	McClellan	Williams, Del.
Dominick	Morse	Young, N. Dak.
Eastland	Mundt	
NAYS—53		
Aiken	Hickenlooper	Monroney
Allott	Hill	Morton
Bass	Holland	Moss
Bayh	Inouye	Muskie
Brewster	Jackson	Nelson
Cannon	Javits	Pastore
Carlson	Kennedy, Mass.	Pell
Case	Kennedy, N.Y.	Prouty
Church	Kuchel	Proxmire
Clark	Lausche	Randolph
Cooper	Long, Mo.	Ribicoff
Dodd	Magnuson	Smathers
Douglas	Mansfield	Smith
Fulbright	McGee	Tydings
Harris	McGovern	Williams, N.J.
Hart	McNamara	Yarborough
Hartke	Metcalf	Young, Ohio
Hayden	Miller	

NOT VOTING—18

Anderson	McCarthy	Robertson
Bennett	McIntyre	Saltonstall
Curtis	Mondale	Scott
Fannin	Montoya	Simpson
Gore	Neuberger	Sparkman
Long, La.	Pearson	Tower

So Mr. ELLENDER's amendment was rejected.

Mr. PASTORE. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I call up my third amendment, on page 2, line 18.

The VICE PRESIDENT. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, line 18, to strike out the figure "\$50,000,000" and insert in lieu thereof the figure "\$20,000,000".

Mr. ELLENDER. Mr. President, this is the last amendment I have to offer. It is very simple. All of us voted for the contingency fund. That fund was supposed to be used by the President to finance emergency needs that could not be foreseen in advance.

In the 1964 program less than \$4 million was used out of the total amount appropriated for natural disaster. Most of the rest of it was used for military assistance.

As I pointed out in debate, this contingency fund was created, not to furnish military assistance, but to provide economic aid in those situations which could not be foreseen.

In 1965 the sum of only \$6 million-odd was used to provide economic relief from disasters that could not be foreseen, but in that year \$55 million was used directly for military assistance. It was never conceived that emergency funds would be used for anything else but economic aid, but here, in 2 years, the President has used that fund to give military assistance to many countries that were not named in the presentation which was made to the committee.

I hope my amendment is adopted.

Mr. PASTORE. Mr. President, this is what I call a genuine handcuff amendment. This is the amendment that really handcuffs the President of the United States. I dare say I could name five Governors who have a contingency fund greater than \$20 million. Yet here is the President, who is responsible for the security of the Nation in a sensitive world. Here is the President, who is responsible for peace in our time, with all his resources he cannot know today what is going to happen tomorrow. He cannot foretell where or when the emergency may be. Yet, on the floor of the Senate, we are being asked to handcuff the President by reducing this fund from \$50 million to \$20 million because, it is said, we cannot trust the President to use that fund in case of an emergency.

If any amendment should be defeated, this one certainly should.

I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, the President has two other sources he can

use in case of emergency. He has as much as \$300 million that he can use under section 510. He has another fund of \$250 million that he can muster under sections 610 and 614 of the Foreign Assistance Act.

I pointed out in my main speech that the emergency fund is to be used solely and only for events that cannot be foreseen. Here the President has used that fund for military purposes. I think it is wrong. It is directly in opposition to what the Congress intended.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the third amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SMATHERS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. MCINTYRE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Minnesota [Mr. MONDALE], the Senator from New Mexico [Mr. MONTOYA], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. ROBERTSON] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. FANNIN], the Senator from Kansas [Mr. PEARSON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from Pennsylvania [Mr. SCOTT] would vote "nay".

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Arizona [Mr. FANNIN]. If present and voting, the Senator from Utah would vote "yea" and the Senator from Arizona would vote "nay".

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Texas would vote "nay".

On this vote, the Senator from Wyoming [Mr. SIMPSON] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Massachusetts would vote "nay".

The result was announced—yeas 18, nays 63, as follows:

[No. 273 Leg.]

YEAS—18

Bible
Burdick
Byrd, Va.
Byrd, W. Va.
Eastland
Ellender

Ervin
Gruening
Hruska
Jordan, N.C.
Jordan, Idaho
Miller

Morse
Mundt
Murphy
Russell, Ga.
Talmadge
Thurmond

NAYS—63

Aiken
Allott
Bartlett
Bass
Bayh
Boggs
Brewster
Cannon
Carlson
Case
Church
Clark
Cooper
Cotton
Dirksen
Dodd
Dominick
Douglas
Fong
Fulbright
Harris

Hart
Hayden
Hickenlooper
Hill
Holland
Inouye
Jackson
Javits
Kennedy, Mass.
Kennedy, N.Y.
Kuchel
Lausche
Long, Mo.
Magnuson
Mansfield
McClellan
McGee
McGovern
McNamara
Metcalfe
Monroney

Morton
Moss
Muskie
Nelson
Pastore
Pell
Prouty
Proxmire
Randolph
Ribicoff
Russell, S.C.
Smathers
Smith
Stennis
Symington
Tydings
Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.
Young, Ohio

NOT VOTING—19

Anderson
Bennett
Curtis
Fannin
Gore
Hartke
Long, La.

McCarthy
McIntyre
Mondale
Montoya
Neuberger
Pearson
Robertson

So Mr. ELLENDER's amendment was rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I yield 5 minutes on the bill to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, we again undertake the annual appropriations for some of the foreign aid programs this year amid dark signs that threats to world peace are still with us. Indeed, in many respects they are graver than last year. An acceptable solution to the crisis in Vietnam eludes us while our military and economic commitments to that beleaguered nation steadily rise. Castro still exports his brand of Communist revolution to other countries of Latin America—as is evidenced by his very recent efforts to gain control of the Dominican Republic. The United Nations faces what is probably the sternest test so far of its ability to function effectively as an instrument of international law and order. Dictators of certain countries who have been substantial recipients of our foreign aid resources continue to insult us, destroy and confiscate our property and even take the lives of our citizens. We are witnessing the spectacle of recipients of our military and economic aid using it to wage war against each other.

It is in this setting that we examine the administration's foreign aid appropriations request.

The request this year, as in past years, is misleading and presents a seriously distorted picture to the American people as to the nature and extent of our multifarious foreign assistance programs. Though no one really knows for sure—

not even the General Accounting Office—the \$3.907 billion of appropriations called for in the bill before us represents only a fraction of what this country will actually spend on foreign aid for fiscal year 1966. For, in addition to this bill, there are numerous other separate programs including the food-for-peace—a \$1.7 billion item in the forthcoming Agriculture budget—and the foreign expenditures of the Defense Department for another \$3 billion. Of course, the figures I have just alluded to do not include the more than \$6 billion in the so-called foreign aid pipeline for potential use in fiscal year 1966. By rough estimate there are at least 20 organs of the Federal Government that are involved in the foreign aid business. This effort utilizes the talents of at least 70,000 employees.

THE SALTONSTALL AMENDMENT

Mr. President, I fully supported the effort by the senior Senator from Massachusetts [Mr. SALTONSTALL] to cut another \$50 million from this appropriation. This is in addition to the \$94 million already lopped off in the Senate Appropriations Committee. This additional cut is most reasonable and can hardly be asserted to shake the foundations of a \$4 billion program. In an agency having pipeline funding of at least \$6 billion, it would seem reasonable that this modest sum can be absorbed without much difficulty. As such, this Senator was happy to cosponsor this amendment.

SACKING AND BURNING OF EMBASSIES AND LIBRARIES

Since the Senate last considered foreign aid 1 year ago, we have witnessed shocking and irresponsible behavior by Messrs. Nasser and Sukarno directed against U.S. citizens and their property and indeed outright insults against our Government and wanton destruction of U.S. Government property. Just this week a similar situation occurred in Pakistan.

In the view of this Senator, the limitations provided for in the authorization bill giving the President discretion to cut off aid to countries who repeat such behavior, though a halting step in the right direction, fall short of the firm stand which is demanded by the outrages to which I have alluded.

The Senate Foreign Relations Committee report on the authorization bill quite properly stated that a number of less developed countries "need to be informed" that they have no inherent right to U.S. assistance. But the message must be made plainly simple and without qualifications: those who would stand idly by while undisciplined mobs destroy our property, those who would go out of the way to insult this country, those who would take the lives of our citizens and expropriate their property are not to continue to participate in our assistance programs so long as they pursue that kind of reckless course.

Flexibility and freedom of action would lie in a firm course. But the choice would rest in the hands of those who would accept our aid. They should be told: "Treat us with respect and common decency, allow our citizens and their

property the same courtesies that peaceable men should be accorded in any civilized country or forget about our help."

Long gone is the naive idea that we can buy friendship with our aid dollars, but at least we do not have to pay for criminality, insults, or useless waste.

CUT OFF SUPPORT FOR THE UNITED NATIONS?

The financial difficulties which now beset the United Nations are truly the most serious threat to the viability of the world body since its inception. Although a final showdown has been averted temporarily by a major retreat by the United States, the result has been that now the U.N. Charter can be flouted at will by any nation that chooses to do so. While Russia, France, and others refuse to honor their just obligations, U.S. foreign aid dollars provide the financial transfusions to keep the U.N. afloat. We are giving over \$144 million for the year—and I am sure that will be only a starter. This is to be added to the \$2.4 billion already contributed or loaned by the United States—a whopping 45 percent of the 20-year spending record of the U.N.

If the member nations cannot meet their commitments, if the charter becomes but a scrap of paper, then it is high time for the United States to sit back to reassess and reconsider its participation in or at least such heavy support of the United Nations.

VIETNAM AND SOUTHEAST ASIA

We are considering in this bill economic and military aid requests for Vietnam of more than \$340 million, about evenly divided between the two kinds of support. This is in addition to the \$700 million blank check supplemental we have voted earlier for the remainder of fiscal year 1965 in military aid. Included is the \$89 million southeast Asia contingency fund. Presumably this \$89 million is the first installment of the billion-dollar carrot offered by President Johnson in his Johns Hopkins speech this spring.

This sum would be merely the pump primer for a massive, multilateral aid effort.

Mr. President, it is inconceivable to me that we should even consider, let alone appropriate such huge sums for economic development when the military and political conditions in Vietnam are so unsettled. In spite of our efforts to the contrary, there is a possibility that South Vietnam will go under or become neutralized. There is a good possibility that all that our economic aid at the present time might accomplish would be to fatten up the goose for Communist takeover.

Now I am not for 1 minute suggesting that we abandon our military efforts in Vietnam or southeast Asia. Indeed, I favor taking whatever steps are necessary to rid the area of Communist influence. To be sure, we must express our willingness to help in all practical ways to build for a bright future free from foreign domination, but it hardly makes sense to pour in hundreds of millions of economic aid dollars when the political and military situations are so fraught with danger and uncertainty.

BALANCE OF PAYMENTS AND FOREIGN AID

To say that our gold stocks are being reduced at a rapid rate and are now at dangerously lower levels is perhaps an understatement of the present state of affairs of our balance-of-payments situation. The Nation's gold stocks have declined from \$24.6 billion in 1949 to a low of \$13.97 billion on August 31 of this year. This is a \$1 billion outflow in the last 6 months alone.

Of course, many factors are responsible for this deplorable situation. But one of the most important has been the nature and extent of our foreign aid operations. Many of the nations that we were so generous in helping are now repaying us by helping themselves to our gold stocks. The most notable example is France. She has received close to \$10 billion in postwar U.S. aid. She has refused to honor her World War I debt to us of over \$6 billion and we have not pressed the claim. But now she is taking the lead in converting her dollar holdings into gold from our stocks.

We have heard in recent testimony by high administration witnesses that as much as 85 percent of new AID commitments are now tied to U.S. goods and services and therefore not adversely affecting our balance-of-payments situation. But there are several things wrong with that figure.

In the first place, it is based only on AID operations. What about the billions of other U.S. assistance in one form or another? That percentage does not necessarily apply, for example, to the programs of the Inter-American Development Bank, or the World Bank, or particularly the International Development Association. In some cases, it is impossible to tie these expenditures to U.S. goods and services.

This is particularly important when we realize that section 205 of the authorization act permits up to 20 percent of title I money for development lending to be made available for the use of the World Bank and its affiliates.

Finally, this claim that most foreign aid expenditures are earmarked for U.S. procurement is less than fully candid. During recent congressional hearings administration witnesses have conceded that many foreign aid projects are of a type involving primarily payments for local labor and materials in the country aided. In such cases, the dollars cannot be spent here, of course; they may be put in a special fund and supposedly used subsequently for the purchase of American goods.

Here is the catch in that arrangement. The foreign countries tend to buy with those aid dollars the products that they would have bought from this country anyway. In that way, other U.S. dollars they have are freed for use in paying for purchases from Europe or other sources.

It seems incredible that we should have to be considering proposals to penalize the American tourist abroad, and choke off worthwhile investments overseas by American business corporations, while we make virtually no effort to stanch the massive hemorrhage of our gold represented by this foreign aid program.

The diversion of our money into a multilateral lending program as provided for in the Authorization Act has other undesirable consequences also. Besides being freed from the tie to U.S. procurement, it would also be freed from the Hickenlooper amendment—section 620 (e)—for the protection of the U.S. investor abroad against expropriation. It would not be subject to policy directives as to restrictions on aid to Cuba. It would not be subject to other restrictions such as cargo preference. But most important, it would not be subject to congressional review.

An area in which the administration can help to relieve the balance-of-payments situation is in the use of the U.S.-owned foreign currencies, most of which were generated under the Public Law 480 program. As of the end of last year we held almost \$3 billion in so-called soft currencies. While there has been a feeble attempt to make these moneys available to U.S. tourists and others who may have a requirement for them, it has been a miserable failure so far, with only \$2 million being converted for use to date. Several Government Accounting Office recommendations have been made as to the possible use of these currencies. The Authorization Act incorporated some into law. It is my hope that these provisions will now be effectively carried out.

Mr. President, in conclusion, I want to state that while I will support sensible foreign aid programs that advance U.S. foreign policy and commercial interests, I cannot in good conscience support this bill. Recently, a special commission established to study the role of private enterprise in foreign aid made its report. This report contains several recommendations, which, if effected, could have a significant impact on foreign aid programs. It is my hope these recommendations will be implemented.

Mr. PASTORE. Mr. President, I yield 5 minutes on the bill to the Senator from South Dakota.

DAC COUNTRIES INCREASING AID TO UNDER-DEVELOPED NATIONS

Mr. McGOVERN. Mr. President, one of the principal aims of U.S. foreign policy in recent years has been to persuade other more prosperous countries to share more equitably in the task of providing assistance to the underdeveloped world.

Presidents Kennedy and Johnson have given strong support to this policy; Members of both Houses of the Congress, from both sides of the aisle, have been explicit in their belief that this country has been bearing a disproportionate share of the aid burden.

No one would argue that we should not have carried the full responsibility in the years following World War II. But our earlier job of rebuilding Western Europe and Japan has now been successfully completed. As we turn to the job of long-term assistance to the developing nations of Latin America, Asia, and Africa, the countries of Western Europe and Japan are joining with us. But they can and should do more, and we have been working toward that goal.

The progress that has been made has been obscured in the rush of events. It is ironic that amid a deadlock in the House-Senate conference on the foreign aid authorization bill and continuing argument about the program, so little attention was paid to a major success in the field of foreign aid—the ministerial meeting of the Development Assistance Committee—DAC—of the Organization for Economic Cooperation and Development—OECD—held in Paris on July 22-23, 1965.

A most encouraging sign was the increased participation by member nations. The level of attendance was greater than ever before. Cabinet members were present from Britain, Germany, France, Japan, and the Netherlands. Mr. David Bell, the distinguished Administrator of AID, led the American delegation. Mr. George Woods, President of the World Bank, also attended along with high representatives of the International Monetary Fund and the Inter-American Development Bank.

Perhaps most significant of all was the fact that, in contrast to prior years, other DAC members and the World Bank—not the United States—led the discussion of important issues. This is heartening evidence of the increased interest and concern of other free world nations, and a sign that they are recognizing the United States cannot be expected to do the job alone.

However, the results of the meeting represent a signal success for U.S. policy.

SOFTER TERMS PLEDGE

A major goal of U.S. policy in recent years has been to induce other nations to provide more aid on softer terms; that is, at lower interest rates, with longer maturities and grace periods.

The United States, as reflected in the Development Loan Fund in 1957 and the Foreign Assistance Act of 1961, has long been a leader in this effort.

A recent study of the Agency for International Development on the subject of "Loan Terms, Debt Burden, and Development," restated the U.S. position with clear analysis and a wealth of factual information.

I have no doubt that this study has a strong impact on some of the decisions taken at the Paris meeting.

The meeting adopted two resolutions, both of which represent a wider application of policies which the United States has strongly advocated to DAC and has practiced in its foreign-aid program.

The first set a specific target for softening loan terms. The target set by the DAC is that 80 percent of each member's aid should be in the form of grants or of loans with at least 25 years' maturity, not over 3 percent interest rate, and an average grace period of 7 years. Softening of terms will be required of Britain, Germany, Japan, Italy, Austria, Portugal, and Canada. The United States and the remaining countries already meet the standards established by the resolution.

The resolution, if followed, can result in a major increase in net inflow of resources to the less-developed countries.

It represents a vindication of congressional and executive branch policy, in asserting U.S. leadership in the field of aid by the example of our own soft terms on development loans, coupled with persuasion of others to bring down their own terms of assistance.

The meeting also was marked by announcements by several nations of concrete steps to soften terms and increase their levels of aid: the Netherlands announced that it was lowering interest rates; Britain repeated its recent announcement, and stated that, despite difficulties at home, it would not cut aid. France, which primarily extends grant-like assistance, has adopted a policy of extending aid beyond the franc zone. Germany has agreed to soften its loan terms, while Japan is taking a strong interest in Asian development, promising to subscribe \$200 million to the capital of the Asian Development Bank. Canada has increased its aid levels and is providing assistance on very soft terms.

This is encouraging progress.

SELF-HELP CONDITIONS STRENGTHENED

The second resolution adopted at the DAC meeting carried forward a principle that has been an integral part of the U.S. aid program since enactment of the Foreign Assistance Act of 1961.

It called on the member nations to relate the level and composition of their assistance to the performance of the recipient countries. This means that other donor countries are pledged to follow the lead of the United States in measuring the self-help efforts of the recipient countries—in terms of how much of their money the recipients are putting up, the effectiveness with which a country is mobilizing its own economy, labor force, tax structure in support of development, and the encouragement which a country gives to private enterprise.

We have learned from our own experience that aid from the outside can only do a small part of the job. The real effort must come from the people and the government of the recipient nation. AID which is conditioned upon and related to what is done by the recipient is most effective—in fact, it is the only kind of aid that will succeed.

The DAC resolution thus marks a major step, by the donor nations, to increase the effectiveness and impact of their aid.

CONCERN OVER PROGRESS OF DEVELOPMENT—NEED FOR MORE AID

Mr. Woods, of the World Bank, the Ministers from Great Britain and the Netherlands, and the American Chairman of DAC, Dr. Willard Thorp, expressed great concern over the lagging growth rate of the developing countries at the midpoint in the U.N. decade of development. They underlined many serious problems such as declining export receipts, growing debt service liabilities, rising population, and need for greater self-help efforts. They expressed equal concern over the failure of total net official aid from the DAC countries—including the United States—to rise above a 4-year plateau of about \$6 billion per year. Mr. Woods stated his deep

conviction that the present volume of aid was wholly inadequate. He expressed the World Bank's view that the developing countries are increasing their capacity to employ foreign resources effectively and could productively use \$3 to \$4 billion annually in aid above present levels between now and 1970.

Mr. Woods, in his address to the meeting on July 22, spelled out the problem and pointed out that the flow of assistance to the developing countries has actually been declining. He said:

The total net official flow of long-term capital from the DAC countries has remained at about the same level since 1961. This is despite a rise in GNP of the industrialized countries, over that period, at a rate of about 4 to 5 percent annually—in other words, by perhaps \$40 billion a year—with the result that the constant amount of net official aid represents a declining percentage of the aid-givers' national income. Similarly, there has been no significant increase in the total annual net flow of public and private financial resources from the DAC countries to the developing world, a flow which has in recent years remained about \$9 billion. This amounts to about nine-tenths of 1 percent of the GNP of those countries. However, if receipts of profits, dividends and interest are taken into account, the annual net contribution to the developing countries by the DAC countries has been about \$6 billion, or about six-tenths of 1 percent of their GNP. And from the developing countries' standpoint, the level amount of assistance provided has represented a declining amount per capita—due to the increase in their populations by some 2 to 3 percent a year.

Mr. Woods also issued a stern warning to the more fortunate nations:

A preliminary Bank inquiry based, for each country, on the judgment of the Bank's country specialist and area economist, suggests that between now and 1970 the less-developed countries might productively use an additional \$3 to \$4 billion a year. I myself see little point in arguing about precise figures, since although analyses and estimates of the developing countries' needs for external capital are a necessary background for decision, in the end the amount of aid which will be made available will be determined by practical and political realities. What I want to make clear, however, is my deep conviction that the present level of finance is wholly inadequate, whether measured by the growth rate which the advanced countries say they are willing to facilitate or in terms of the amount of external capital which the developing countries have demonstrated they can use effectively. The whole order of magnitude of external capital flows to the developing countries wants changing. If, to achieve that, we need to change political climates—in the industrialized countries, to permit a much greater flow of official capital, and in the developing countries, to encourage a much greater private investment from abroad—then ways of doing so must be explored, must be agreed upon, and must be implemented.

The case cannot be stated more effectively. And I know of no man more qualified than the distinguished president of the World Bank who was formerly a leading figure in American finance.

These are not the words of a dreamer; these are the words of a tough analyst and practical businessman. I urge all my colleagues to read his thoughtful address.

In view of the importance of Mr. Woods' address to the DAC meeting, I ask unanimous consent that it be printed

in full at the conclusion of my remarks, as well as a perceptive report of the meeting by Mr. Felix Belair, Jr., distinguished journalist of the New York Times.

The PRESIDING OFFICER. Without objection, it is so ordered.
(See exhibit 1.)

RESULT: MORE EQUITABLE SHARING, GREATER CHANCE OF SUCCESS

Mr. McGOVERN. Mr. President, I hope that the news of our success can come to the attention of more Americans. For they would see that amid the controversy and, yes, even distortion about the subject of foreign aid, a great deal is being done. They would see that the United States has developed a coherent, effective policy—one that is gaining greater support throughout the free world.

We have recognized the responsibilities of leadership in the field of foreign aid, as we have in so many areas of international affairs. We have developed an intelligent policy, one that is showing results.

But at the root of this policy is a recognition that other more fortunate nations must join with us; and that these nations must shape their own aid programs on the basis of sound development of principles such as softer terms and self-help.

Although little noted at the time, the recent Ministerial Meeting of the Development Assistance Committee marked a major success for U.S. policy and a major step forward in the efforts of free men everywhere to offer, in the words of President Johnson:

Strength to those who would be free;
Hope for those who would otherwise despair;
Progress for those who would help themselves.

All Americans can be proud of our leadership and be encouraged by our success, as reflected in the recent meeting in Paris.

EXHIBIT 1

STATEMENT OF MR. GEORGE D. WOODS, PRESIDENT OF THE WORLD BANK GROUP, TO THE MINISTERIAL MEETING OF THE DEVELOPMENT ASSISTANCE COMMITTEE, PARIS, JULY 22, 1965

Mr. Chairman, I should like to join, enthusiastically, in the commendations which have been extended to the Chairman's report and which it so well deserves. The Chairman has lucidly, cogently and comprehensively reported on developments which are of keen interest to all those concerned with economic progress. I am sure that the document will be immensely useful not only as a record of the past year, but as a focus for the discussion of the very serious issues which face this meeting.

When I say that this meeting faces some very serious issues, I am not speaking lightly. For I firmly believe that unless the countries represented here take some bold decisions about the volume and character of development aid—and take those decisions soon—the climate of economic development, which by and large has been reasonably good, is going to change markedly for the worse. And by "decisions," I do not mean speeches or resolutions, I mean actions.

If we look around the world at what has happened recently, the record indicates that the GNP of the developing countries increased in 1963 and 1964 at about 4 to 5 percent, or perhaps 2 percent per capita. This growth was in large part achieved by reason of

the rise, during 1963 and 1964, in the prices of the developing countries' exports—a useful reminder of the essential role which trade plays in the whole development business. Unfortunately, in the latter months of 1964, the prices of agricultural primary products began to weaken and in the case of some of these products—particularly cocoa, sugar, and coffee—the decline has been precipitous.

In some important individual countries, we can see some cheering examples of progress, often achieved in the face of serious obstacles, both economic and political. On the side of the aid givers, too, there have been some favorable developments over the past year. There has been evolving a healthy disposition to concentrate attention on those countries which have performed satisfactorily and which have been following sound economic, financial, and development policies. As the Chairman's report notes, there appears now to be a greater readiness to coordinate aid, both its objectives and its terms, in the interest of increasing its impact. Although some of the established consortia and consultative groups have been more effective than others in achieving such coordination, on the whole I am convinced that these mechanisms can and will prove to be an instrument, enabling aid givers to assess the potential performance and needs of the recipient countries, to adapt the character and terms of aid to those countries' requirements, and to identify development priorities. As you know, the Bank has decided to step up substantially its own coordinating activities. We have in mind the organization of five or six new consultative groups within a matter of months and we have been in touch with a number of governments represented here to ascertain their willingness to join in these endeavors. We shall soon be sending to governments notification of our plan to convene a high-level meeting at the time of the Bank's annual meeting. We expect to set in train at that time the formation of new groups for those countries for which priority attention is appropriate. We also intend that the work of the consultative groups already organized by the Bank will be intensified.

So much for some of the highlights on the asset side of the ledger. It would not have been fair to paint a picture which ignored the significant progress which is being made on many fronts. But what I really want to emphasize here are the serious problems which confront those whose business is development finance.

Many of the less developed countries themselves have the power, if they have the will, to overcome particular difficulties or to change particular circumstances which slow down their economic growth—continuing political instability which forecloses effective development even with official funds, and completely discourages the flow of all-important private investments; excessive administrative or defense expenditures, which preempt already limited resources without contributing to economic growth; unrealistic exchange rates; and so on. Each of our could draw up the list.

But this is not the forum in which to concentrate on the deficiencies of the less-developed countries. We are considering here how to make our own performance, as aid givers, more effective. Since it is fashionable nowadays to talk of a "gap," let me use that term to describe a situation which seems to me of growing concern as we judge our performance. That is the variance, the very marked variance, between what the developed countries—the DAC countries, if you will—say about development and what they do about it. Unless that gap is narrowed and quickly narrowed, I believe that what lies ahead is an inevitable and a heart-breaking slowdown in economic development and even in international trade.

UNCTAD debates and resolutions are a rich source of official assurances that economic development is at the forefront of the advanced countries' political concerns, and of agreement in principle that they should provide enough assistance to enable the less-developed world gradually to achieve more satisfactory standards of living. These assurances of help to the developing countries for the realization of their development potential are always made, I know, in all sincerity. But if we look at the figures, we find that in fact aid is now on a plateau. The total net official flow of long-term capital from the DAC countries has remained at about the same level since 1961. This is despite a rise in gross national product of the industrialized countries, over that period, at a rate of about 4 to 5 percent annually—in other words, by perhaps \$40 billion a year—with the result that the constant amount of net official aid represents a declining percentage of the aid givers' national income. Similarly, there has been no significant increase in the total annual net flow of public and private financial resources from the DAC countries to the developing world, a flow which has in recent years remained about \$9 billion. This amounts to about nine-tenths of 1 percent of the gross national product of those countries. However, if receipts of profits, dividends, and interest are taken into account, the annual net contribution to the developing countries by the DAC countries has been about \$6 billion, or about six-tenths of 1 percent of their gross national product. And from the developing countries' standpoint, the level amount of assistance provided has represented a declining amount per capita—due to the increase in their populations by some 2 to 3 percent a year.

While the amount of external finance has tended to remain static, the capacity of the developing countries to make productive use of resources has not. Despite differences in performance of individual countries, the absorptive capacity of the developing countries has been steadily expanding as their institutional structures become more firmly established, as education and skills become more widespread, as administrative and managerial abilities improve and as project preparation becomes more effective. While agreement is quite general, I believe, that absorptive capacity can be expected to continue its growth—and probably at a faster rate than has prevailed up to now—there are, as the Chairman's report notes, widely ranging estimates of the figures for external aid requirements into which that capacity should be translated. A preliminary Bank inquiry based, for each country, on the judgment of the Bank's country specialists and area economists, suggests that between now and 1970 the less-developed countries might productively use an additional \$3 to \$4 billion a year.

I myself see little point in arguing about precise figures, since although analyses and estimates of the developing countries' needs for external capital are a necessary background for decision, in the end the amount of aid which will be made available will be determined by practical and political realities. What I want to make clear, however, is my deep conviction that the present level of finance is wholly inadequate, whether measured by the growth rate which the advanced countries say they are willing to facilitate or in terms of the amount of external capital which the developing countries have demonstrated they can use effectively. The whole order of magnitude of external capital flows to the developing countries wants changing. If, to achieve that, we need to change political climates—in the industrialized countries, to permit a much greater flow of official capital, and in the developing countries, to encourage a much greater flow of private investment from abroad—then ways

of doing so must be explored, must be agreed upon, and must be implemented.

I suggest, in addition, the desirability of a new perspective on the part of donor countries. The less developed countries are urged to plan their development for a reasonable period ahead. Since every development program necessarily assumes some measure of finance from abroad, the realism of a national development plan would be greatly enhanced, and therefore the likelihood of its achievement greatly facilitated, if the country in question could formulate its program with some broad notion of the amount of finance which might be extended over the plan period. This would require the donor countries themselves to take a long-term view, agreeing for planning purposes on assistance targets over perhaps a 3- or 5-year period, for at least those developing countries which are recipients of major amounts of aid. These targets would, of course, not be firm or irrevocable commitments. Not only would they be subject, on the part of the donors, to yearly legislative authorization, but the availability of the amounts projected would in every case depend upon convincing demonstration, in annual reviews, that the recipient country's economic performance had been satisfactory.

Orderly development would be immensely facilitated, too, if the developing countries could have some measure of assurance that their development programs will not be disrupted by sharp declines in export earnings due to unpredictable fluctuations in commodity prices. We are studying what contribution the Bank and IDA might make in this connection pursuant to the UNCTAD resolution on the United Kingdom/Swedish proposal for supplementary financing, and I hope we may have some proposals to put forward on this matter this fall.

Let me turn now to the question of the terms of aid—a problem, as the Chairman's report notes, which is inseparably linked to the magnitude of aid. While the capacity to use foreign capital has been growing and will continue to grow, the ability of many developing countries to service additional external debt on conventional terms is declining. You are all familiar with the relevant data, but they bear repeating.

Present total external public debt—long and short term—of the developing countries as a group, is estimated at about \$33 billion, and amortization and interest payments on this debt may be as high as \$3.5 billion a year. This debt amounts to about 15 percent of the combined GNP of the developing countries. Service charges on it have been rising by more than 10 percent per year, despite a few important rescheduling operations, and they now amount to about 12 percent of the developing countries' total export earnings. These levels of debt service are dangerously high. They mean that a good deal of the proceeds of new loans must be devoted to servicing previously contracted obligations, rather than being invested in new productive development. Indeed, when all service and dividend payments on both public debt and private investment are taken into account, the backflow from the developing countries offsets about half the entire gross capital inflow which these countries receive from all sources.

Notwithstanding these facts and despite the general recognition of the importance of relating aid to the circumstances of recipient countries, there has been overall only a modest improvement in the terms of aid. A recent study by the U.S. Government has, indeed, noted that there has been a steady hardening of the terms of U.S. assistance—a shift in emphasis from grants to loans and from loans repayable in local currency to loans repayable in dollars, together with an increase in the minimum interest rate on dollar-repayable loans. Other aid-giving countries, which previously offered aid on

terms much harder than those of the United States, have softened those terms somewhat, but not yet sufficiently—on average, they do not yet approach even the hardened U.S. terms. The problem of aid-tying, as the report of the Chairman notes, remains a serious and a difficult one. As we all know, the harder the terms of lending, the larger will be the amount of gross capital transfers necessary to assure a given net transfer of resources, and the longer it will take for the developing world to be assured of the gradual but steady growth which the DAC members have in principle undertaken to assist. The recent announcement of the United Kingdom that it will make long-term development loans free of interest or management charges to selected developing countries reflects a commendably long-range view, all the more to be applauded because it has been taken by a country which is itself confronted by difficult and pressing problems in its own economy. We can only hope that this policy will prove a lodestar for other countries.

If the considerations I have mentioned are taken together—the leveling-off of aid notwithstanding the increasing absorptive capacity of recipient countries, the tendency toward a hardening of aid terms notwithstanding the increasing magnitude of the debt burden—and if they are viewed against the background of a certain boredom, at the least, and disillusionment, at the worst, with the subject of development finance in most of the countries represented here, you can see why I am so concerned about the prospects for economic development. You can see, too, why I consider it so urgent that the governments represented at this meeting should take a firm decision to reverse recent trends, not only by very substantially increasing the amount of their aid but also, and importantly, by making an even larger proportion of it available on very easy terms.

This brings me logically and, I daresay, not unexpectedly, to a more parochial and institutional point. Governments have at hand a ready vehicle for avoiding the threatened slow-down of economic development and for moving in the direction of the objectives subscribed to at the 1964 UNCTAD Conference—I refer to the forthcoming IDA replenishment. The amount of that replenishment is of course a matter for the collective judgment of governments. But there is no doubt that there are useful, productive and high priority opportunities which would enable IDA to invest at a rate several times that permitted by the resources which have been available to it up to now.

There are a number of advantages to investing in development through IDA. It is devoted to encouraging countries to follow appropriate economic policies. Its credits are used to finance only those projects and programs which are soundly conceived and which can be efficiently executed. IDA's financing terms are concessionary, but no concessions are made in the project standards which it applies. Through IDA, the aid-giving countries can achieve their objectives—and here I quote from papers before this meeting—of "relating the financial terms and the appropriate mix of hard loans and soft loans or grants on a case-by-case basis to the circumstances of each underdeveloped country or group of countries, of seeking greater comparability among contributing countries in the terms and conditions of aid, and of achieving further overall softening of terms." The DAC countries have recognized the desirability of keeping the tying of bilateral aid to the minimum consistent with political and balance of payments considerations. Aid extended through IDA is freed of procurement restrictions—to the full extent of the amount contributed, automatically and, most important of all, by simultaneous and concerted action of all the contributing countries. IDA thus not only

affords a means of making untied aid politically more palatable but it assures that the funds provided will buy the greatest amount of development.

In saying this, I recognize that I may not be wholly free of institutional bias, but I am convinced, after some years of experience, that it is development finance provided through multilateral channels and invested solely on the basis of economic considerations which proves in the long run most beneficial to developing and developed countries alike.

[From the New York Times, Aug. 4, 1965]

DONOR NATIONS SEEN SPURRING AID TO UNDERDEVELOPED LANDS

(By Felix Belair, Jr.)

WASHINGTON, August 3.—A major advance that may reverse the present slowdown in economic development aid to underdeveloped areas was observed by officials today in several little-noted decisions of the 14 leading donor nations.

Resolutions adopted by the Development Assistance Committee of the Organization of Economic Cooperation and Development pledged member countries to provide at least 1 percent of their national incomes for development grants and loans.

Terms and conditions would be more lenient than a majority of them now provide for such assistance.

In addition to working toward increased aid, the committee established late last month as a goal, to be realized in 3 years, that 80 percent of all government aid should be provided as grants or as loans maturing in 25 years or more.

The loans would bear interest at 3 percent or less and would have an interest-free grace period of at least 7 years.

ADDITIONAL \$1 BILLION AVAILABLE

Foreign aid officials said the easier average terms, if applied to the present level of aid to the non-Communist world, would make an additional \$1 billion for development financing.

The action followed a warning by George D. Woods, president of the World Bank, to the ministerial delegates that underdeveloped countries could "productively use" from \$3 to \$4 billion a year more than the \$6 billion now being provided by donor governments.

Unless a major part of this existing gap is abridged and on "very easy terms," Mr. Woods said, "I believe that what lies ahead is an inevitable and a heartbreaking slowdown in economic development and even in international trade."

U.S. participants regarded Mr. Wood's talk as the strongest speech ever delivered on the subject by the head of an international institution.

Mr. Woods observed that while the committee members had long since adopted the goal of 1 percent of gross national product in development aid, their long-term capital contributions had remained constant at about \$6 billion since 1961.

This plateau of official aid had prevailed, he said, despite a rise in the gross national product of industrialized countries of 4 to 5 percent annually, or about \$40 billion a year—"with the result that the constant amount of net official aid represents a declining percentage of the aid-givers' national income."

FLOW OF RESOURCES STATIC

"Neither had there been any significant increase in the total annual net flow of public and private financial resources from the D.A.C. [Development Assistance Committee] country to the developing world, a flow which has in recent years remained about \$9 billion," Mr. Woods went on.

"This amounts to about nine-tenths of 1 percent of the G.N.P. (gross national product) of those countries," he continued. "However, if receipts of profits, dividends

and interest are taken into account, the amount net contribution to the developing countries by the DAC countries has been about \$6 billion, or about six-tenths of 1 percent of their G.N.P.

"And from the developing countries' standpoint, the level amount of assistance provided has represented a declining amount per capita—due to the increase in their populations by some 2 to 3 percent a year," he noted.

To hammer home the need for a larger volume of economic aid, Mr. Woods asserted that developing countries as a group now had a total external public debt—long- and short-term—of about \$33 billion, on which amortization and interest payments ran as much as \$3.5 billion a year.

SERVICE CHARGES RISING

This was about 15 percent of the combined gross product of the developing countries. Service charges on it had been rising by more than 10 percent a year and were now about 12 percent of the export earning of the developing countries.

"These levels of debt service are dangerously high," said Mr. Woods. "They mean that a good deal of the proceeds of new loans must be devoted to servicing previously contracted obligation, rather than being invested in new productive development."

"Indeed, when all service and dividend payments on both public debt and private investment are taken into account, the backflow from the developing countries offsets about half the entire gross capital inflow which these countries receive from all sources."

Despite Mr. Woods' dismal portrayal, U.S. officials found encouragement in the fact that the international body was able to take decisions at the ministerial level on new and higher goals for the development effort.

FURTHER REVISION SEEN

The resolution contemplates a further upward revision of goals after 3 years in the light of progress made by that time. The more liberal terms and conditions to which member countries pledged their support at the Paris meeting will have little effect on the United States effort in aiding developing countries. Minimum terms provided by the Agency for International Development include 40-year maturities, a 2½ percent interest rate and a 10-year grace period at 1 percent.

Thus the United States is well within the DAC target. Some member countries provide easier terms and some much harder than those now proposed. The weighted average terms for all DAC members excluding the United States include 16 years maturity, 4.8 percent interest and a 3-year grace period.

Within that weighted average, however, Germany's development loans have an average maturity of 18.1 years, a 3.9 percent interest rate and a grace period of 4.5 years. Italy requires an average maturity of 9.5 years and an interest rate of 4.77 percent. Japan provides an average maturity of 9.7 years and interest rate of 5.9 percent.

All three countries told the Paris meeting that the more liberal terms posed serious difficulties for them, but they voted for the resolution. Japan said its acceptance of the more liberal terms would mean a reduced volume of development lending and was advised that this would be preferable to its present terms.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. COTTON. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass? The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT (when his name was called). Present.

Mr. MORTON (when his name was called). Present.

The rollcall was concluded.

Mr. DIRKSEN. Mr. President, I heard the clerk announce that two Senators had voted "present," whoever they are.

The VICE PRESIDENT. The Senator is correct.

Mr. DIRKSEN. I am not aware that there is a rule of the Senate under which a vote of "present" can be cast.

The VICE PRESIDENT. The Senator's point refers to rule XII of the Standing Rules of the Senate, which the Chair will read:

When the yeas and nays are ordered, the names of Senators shall be called alphabetically; and each Senator shall, without debate, declare his assent or dissent to the question, unless excused by the Senate; and no Senator shall be permitted to vote after the decision shall have been announced by the Presiding Officer, but may for sufficient reasons, with unanimous consent, change or withdraw his vote.

The other portion of the rule which applies in the circumstances states:

When a Senator declines to vote on call of his name, he shall be required to assign his reasons therefor, and having assigned them, the Presiding Officer shall submit the question to the Senate: "Shall the Senator for the reasons assigned by him, be excused from voting?" which shall be decided without debate; and these proceedings shall be had after the rollcall and before the result is announced; and any further proceedings in reference thereto shall be after such announcement.

I believe those are the provisions of the rule which apply to the Senator's inquiry.

Mr. DIRKSEN. I must assert, on the basis of the rule, that unless a Senator is excused, he is required to vote; and that the Senate cannot entertain a vote of "present" without an excuse.

The VICE PRESIDENT. The rule would so provide, unless a Senator wishes to assign reasons for his unwillingness to assent or dissent; then the Senate will have to vote as to whether or not to excuse the Senator from his responsibility of voting.

Mr. DIRKSEN. I raise the question only in the interest of the integrity of the rules of the Senate.

The VICE PRESIDENT. The Senator's question is well raised. The rule is that a Senator must either vote "yea" or "nay" or ask to be excused from voting. To be excused he must assign reasons, and the Senate must vote on that question.

Mr. FULBRIGHT. Mr. President, I am prepared to state the reasons why I voted "present." After conferring with

the Parliamentarian, I was informed that it was perfectly proper to vote "present" unless a Member of the Senate wished to raise a question; if not, my action would be accepted by the Senate. But the Senator from Illinois [Mr. DIRKSEN] has quite properly raised the question, and I am prepared to offer the reasons why I do not desire to vote.

Mr. RUSSELL of Georgia. Mr. President, is a motion in order that Senators may be permitted to vote "present"?

The VICE PRESIDENT. No; such a motion is not in order until such time as a Senator who seeks to vote "present" assigns his reasons; and then the question is, "Shall the Senator, for the reasons assigned by him, be excused from voting?"

Mr. RUSSELL of Georgia. Does the Chair rule that a Senator is compelled to state his reason for not voting?

The VICE PRESIDENT. The rule so requires.

Mr. RUSSELL of Georgia. I was of the opinion that the Senate could, without prolonged discussion, permit a Senator to vote "present" if he desired to do so, and could grant that permission by a vote. I think there is a precedent for that in the passage of the original Social Security Act of 1935.

Mr. FULBRIGHT. Mr. President, I am prepared, within the course of 3 or 4 minutes, to state my reasons. The Senate may then vote. But it must vote without debate. As I understand, according to the rule, there can be no debate on the question.

The VICE PRESIDENT. The Senator is correct.

Mr. FULBRIGHT. I am prepared to state my reasons, if that is the order of the Chair.

The VICE PRESIDENT. The Senator may ask to be excused, and the Senate can reach its decision upon that request; or the Senator may assign his reasons.

Mr. MORTON. Mr. President, I am one of the two Senators who voted "present." I know that the Senate does not want to be delayed, so I ask that I be recorded as voting "nay."

Mr. FULBRIGHT. Mr. President, I ask to be excused from voting.

I have decided to vote "present" on the foreign assistance appropriation bill for fiscal year 1966. I do so not because of the provisions of the appropriation bill, although there are features of it which I think could be improved, but primarily because of the failure of the Congress this year to give the foreign aid program a new philosophy and direction.

Over the past year and longer I have made the best case I could for three major reforms in the foreign aid program. I have recommended; first, that the funds be authorized on a long-term basis so as to permit orderly economic planning in recipient countries; second, that economic and military assistance, which in fact are separate programs serving different purposes, be governed by both separate legislation and separate administration; third, and most important, that increasing amounts of U.S. development lending be channeled

through such international bodies as the International Development Agency of the World Bank.

I have repeatedly stated my reasons for believing that an increasing portion of the U.S. development lending be administered by international agencies. The essence of the case for multilateralization is the need to put foreign aid on a more objective and businesslike basis. It is inherent and all but inevitable in aid programs that the relationship between donor and recipient will be marked by constant suspicion of irrelevant political pressures on the part of the recipient and a no less corrosive feeling on the part of the donor as to the ingratitude of the recipient. The administration of aid by international agencies which have no interest except economic development can remove the destructive elements of suspicion, resentment, and anger from the programs by which the rich nations help the poor nations. I am confident that fewer libraries will be burned and embassies stoned if this change can be made.

I have not insisted that all of the three reforms which I have described be realized this year, but it did seem to me reasonable that some progress be made toward the realization of one or more of these changes. The Senate adopted an authorization measure providing for a 2-year authorization and granting the President authority to divert up to 15 percent of development loan funds to international agencies. This seemed to me a reasonable compromise representing modest progress toward reform of the program. After an extended deadlock for several weeks in conference, however, the Senate conferees were forced to yield to their colleagues from the other body who insisted on a single-year authorization. Also lost in conference was a very wise proposal, initiated by the Senator from Oregon, for a general review of the foreign aid program by a high-level, executive-legislative committee.

There remained the matter of the diversion of development lending funds to international agencies. This authority was disallowed in its entirety by the House appropriations bill as it has been disallowed in previous years. The Senate Appropriations Committee retained the authority but reduced it to 10 percent. I am indeed grateful to my colleagues on the Appropriations Committee for retaining this important provision, albeit at a reduced level. I shall be surprised if it is returned in conference with the other body.

We have thus reached the point where virtually all of the reforms I thought necessary have been abandoned at least for this year. I am hopeful that reasonable progress toward realizing them will be made next year, in which event I shall certainly reconsider my position on this legislation. This year, however, for lack of meaningful progress toward reform, I have decided to vote "present" on the foreign assistance appropriation.

The VICE PRESIDENT. Because this is a matter of import for the record of the Senate and as a precedent, the Chair

wishes first to state the pertinent part of rule XII.

When a Senator declines to vote on call of his name, he shall be required to assign his reasons therefor, and having assigned them, the Presiding Officer shall submit the question to the Senate: "Shall the Senator, for the reasons assigned by him, be excused from voting?" which shall be decided without debate—

In terms of the precedent relating to the question posed by the Senator from Georgia [Mr. RUSSELL], the Chair will read from "Senate Procedure," by Charles L. Watkins and Floyd Riddick, page 715, the chapter entitled "Voting," relating to the subject "Excused From Voting." The fourth paragraph under that heading reads:

A motion to excuse Senators from voting is not in order, and a Senator not only has a right but is required to assign his reasons for not voting; but he must confine his statements to those reasons. The question of excusing him is decided by the Senate.

So the question before the Senate, without further debate, is: Shall the Senator, for the reasons assigned by him, be excused from voting? [Putting the question.] The Senator from Arkansas is excused from voting.

Mr. SMATHERS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. McINTYRE], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. McCARTHY], the Senator from Minnesota [Mr. MONDALE], the Senator from New Mexico [Mr. MONTOYA], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that the Senator from Arkansas [Mr. FULBRIGHT] was present but not voting. The Senator, for reasons stated by him, was excused by the Senate from voting.

I further announce that, if present and voting, the Senator from Louisiana [Mr. LONG] would vote "yea".

On this vote, the Senator from Minnesota [Mr. MONDALE] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Minnesota would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from New Hampshire [Mr. McINTYRE] is paired with the Senator from Arizona [Mr. FANNIN]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Arizona would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Nebraska [Mr. CURTIS], the Senator from Arizona [Mr. FANNIN], the Senator from Kansas [Mr. PEARSON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

The Senator from New Jersey [Mr. CASE] is detained on official business.

On this vote, the Senator from New Jersey [Mr. CASE] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Nebraska would vote "nay."

On this vote, the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Wyoming [Mr. SIMPSON]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from Wyoming would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Minnesota [Mr. MONDALE]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Minnesota would vote "yea."

On this vote, the Senator from Arizona [Mr. FANNIN] is paired with the Senator from New Hampshire [Mr. MCINTYRE]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from New Hampshire would vote "yea."

On the question, Shall the bill (H.R. 10871) pass? the yeas and nays resulted—yeas 59; nays 22, as follows:

[No. 274 Leg.]

YEAS—59

Alken	Harris	Metcalf
Allott	Hart	Miller
Bartlett	Hartke	Monroney
Bass	Hayden	Moss
Bayh	Hickenlooper	Mundt
Boggs	Hill	Muskie
Brewster	Holland	Nelson
Burdick	Inouye	Pastore
Byrd, W. Va.	Jackson	Pell
Cannon	Javits	Prouty
Carlson	Kennedy, Mass.	Proxmire
Church	Kennedy, N.Y.	Randolph
Clark	Kuchel	Ribicoff
Cooper	Lausche	Smathers
Dirksen	Long, Mo.	Smith
Dodd	Magnuson	Tydings
Dominick	Mansfield	Williams, N.J.
Douglas	McGee	Yarborough
Fong	McGovern	Young, Ohio
Gruening	McNamara	

NAYS—22

Bible	Jordan, Idaho	Stennis
Byrd, Va.	McClellan	Symington
Cotton	Morse	Talmadge
Eastland	Morton	Thurmond
Ellender	Murphy	Williams, Del.
Ervin	Robertson	Young, N. Dak.
Hruska	Russell, S.C.	
Jordan, N.C.	Russell, Ga.	

PRESENT—1

Fulbright

NOT VOTING—18

Anderson	Long, La.	Pearson
Bennett	McCarthy	Saltonstall
Case	McIntyre	Scott
Curtis	Mondale	Simpson
Fannin	Montoya	Sparkman
Gore	Neuberger	Tower

So the bill (H.R. 10871) was passed.

Mr. PASTORE. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MOSS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PASTORE. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. PASTORE, Mr. HAYDEN, Mr. RUSSELL of Georgia, Mr. ELLENDER, Mr. MAGNUSON, Mr. HOLLAND, Mr. SALTONSTALL, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, it is not frequent that the foreign aid appropriation bill passes in this body in 1 day's time. It is an important bill. It involves almost \$4 billion. It is vital to the existence of the free world.

Mr. President, it is a very high compliment, indeed, that this body has paid to the senior Senator from Rhode Island [Mr. PASTORE], the exceedingly skillful and knowledgeable manager of this bill, by decisively approving this bill today. It is a thoroughly well-deserved compliment to which I am proud to add an additional commendation in this short statement.

Everyone in this Senate realizes the complexity of the foreign aid appropriation bill, especially the military aid provisions; everyone knows that it can be no great pleasure for the Senator from Rhode Island to assume responsibility for management of the bill. But he does so without shirking. He merits the thanks of this entire body, indeed, the entire Nation, and I join in that vote of thanks.

But, Mr. President, this body thrives on differing views and debate thereon. We saw today a classic example of that debate. It is this factor which makes the acts of the Senate both sensible and deliberative. It is on this basis that we owe an equal vote of thanks to other Senators who proposed and pressed amendments or otherwise participated actively in debate. I refer, with special thanks and congratulations to the able senior Senator from Massachusetts [Mr. SALTONSTALL], the ranking Republican on the Appropriations Committee; to the ever able and articulate senior Senator from Oregon [Mr. MORSE], and the distinguished junior Senator from Alaska [Mr. GRUENING], who, although both harbored serious doubts about certain appropriations, cooperated fully in working on this measure; and to the senior Senator from Louisiana [Mr. ELLENDER] who, thankfully, keeps an especially careful eye on all appropriations.

Others who participated in the debate on this measure and who deserve an equal measure of thanks include the senior Senator from Missouri [Mr. SYMINGTON], the senior Senator from New York [Mr. JAVITS], the senior Senator from Idaho [Mr. CHURCH], the senior Senator from Pennsylvania [Mr. CLARK], the junior Senator from Oklahoma [Mr. HARRIS], and the senior Senator from Florida [Mr. HOLLAND].

It is encouraging to observe the Senate conduct its business in such an efficient and expeditious manner.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. 2409. A bill amending sections 2 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a new sea level canal connecting the Atlantic and Pacific Oceans (Rept. No. 773).

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 2434. A bill to clarify authorization for the approval by the Administrator of the Federal Aviation Agency of the lease of a portion of certain real property conveyed to the city of Clarinda, Iowa, for airport purposes (Rept. No. 772).

By Mr. SYMINGTON, from the Committee on Armed Services, without amendment:

H.R. 10516. An act authorizing the disposal of vegetable tannin extracts from the national stockpile (Rept. No. 778);

H.R. 10714. An act to authorize the disposal of colemanite from the supplemental stockpile (Rept. No. 777);

H.R. 10715. An act to authorize the disposal of chemical grade chromite from the supplemental stockpile (Rept. No. 776);

H.R. 10748. An act to authorize the transfer of copper from the national stockpile to the Bureau of the Mint (Rept. No. 775); and

H.J. Res. 330. Joint resolution to authorize the disposal of chromium metal, acid grade fluorspar, and silicon carbide from the supplemental stockpile (Rept. No. 774).

By Mr. SYMINGTON, from the Committee on Armed Services, with an amendment:

H.R. 6852. An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 47 million pounds of abaca from the national stockpile (Rept. No. 779).

By Mr. SYMINGTON, from the Committee on Armed Services, with amendments:

H.R. 10305. An act to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 124,200,000 pounds of nickel from the national stockpile (Rept. No. 780).

By Mr. RUSSELL of Georgia, from the Committee on Armed Services, with an amendment:

H.R. 7812. An act to authorize the loan of naval vessels to friendly foreign countries, and for other purposes (Rept. No. 781).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

U. Alexis Johnson, of California, a Foreign Service officer of the class of career Ambassador, to be a Deputy Under Secretary of State.

By Mr. JACKSON, from the Committee on Armed Services:

Robert A. Brooks, of Massachusetts, to be Assistant Secretary of the Army; and John S. Foster, Jr., of California, to be Director of Defense Research and Engineering.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mrs. SMITH. Mr. President, from the Committee on Armed Services I report favorably the nominations of Vice Adm. Paul D. Stroop, for appointment to the grade of vice admiral on the retired list, and Lt. Comdr. Charles Conrad, Jr., for permanent appointment to the grade of commander. I ask that these names be printed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations, placed on the Executive Calendar, are as follows:

Vice Adm. Paul D. Stroop, U.S. Navy, when retired, for appointment to the grade of vice admiral; and

Lt. Comdr. Charles Conrad, Jr., U.S. Navy, for permanent appointment to the grade of commander in the Navy.

Mrs. SMITH. Mr. President, in addition I report favorably 4,680 promotions in the Navy in the grade of captain and below, and 8 promotions in the Marine Corps in the grade of second lieutenant. Since these names have already appeared in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations, ordered to lie on the desk, are as follows:

Lynn "W" Adams, and sundry other officers, for promotion in the U.S. Navy;

Kenneth A. Gaines, and sundry other Naval Reserve officers, for assignment in the U.S. Navy;

Glen W. Poore (U.S. Navy retired officer), to be a permanent lieutenant in the line of the Navy, limited duty only;

George A. Danchuck, Jr., and sundry other candidates, for permanent assignment in the Navy;

George R. Fitzgerald, and John C. Maynard (Naval Reserve Officers Training Corps), for permanent assignment in the Marine Corps; and

Ronald L. Czarnecki, and sundry other meritorious noncommissioned officers, for permanent appointment in the Marine Corps.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MOSS:

S. 2560. A bill for the relief of Dr. Ralph R. Stevenson; to the Committee on the Judiciary.

By Mr. ROBERTSON (by request):

S. 2561. A bill to provide for an increase in the maximum amount of insurance coverage for bank deposits and savings and loan accounts, to protect further the safety and liquidity of insured institutions, to strengthen safeguards against conflicts of interest, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. ROBERTSON when he introduced the above bill, which appear under a separate heading.)

FEDERAL DEPOSIT AND SHARE ACCOUNT INSURANCE ACT OF 1966

Mr. ROBERTSON. Mr. President, I introduce, at the request of the Secretary of the Treasury, a bill to provide for an increase in the maximum amount of insurance coverage for bank deposits and savings and loan accounts, and for other purposes, the proposed Federal Deposit and Share Account Insurance Act of 1966. This is a major bill which the affected industries will wish to study with great care and attention. In order to give a full explanation of the bill to these industries and to the public, I ask unanimous consent that the transmittal letter from the Secretary of the Treasury and the Treasury Department's section-by-section analysis of the bill be printed in the RECORD at this point.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter and analysis will be printed in the RECORD.

The bill (S. 2561) to provide for an increase in the maximum amount of insurance coverage for bank deposits and savings and loan accounts, to protect further the safety and liquidity of insured institutions, to strengthen safeguards against conflicts of interest, and for other purposes, introduced by Mr. ROBERTSON, by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The letter and analysis presented by Mr. ROBERTSON are as follows:

THE SECRETARY OF THE TREASURY,
Washington.

HON. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a proposed bill, "To provide for an increase in the maximum amount of insurance coverage for bank deposits and savings and loan accounts, to protect further the safety and liquidity of insured institutions, to safeguard against conflicts of interest, and for other purposes." The proposed legislation is similar to a draft bill submitted by this Department to the 88th Congress and introduced as S. 1799. Changes have been made, however, incorporating the results of 2 years additional study and consideration by the concerned agencies. Because the bill is complex and the Congress may wish to give it extensive consideration, I am transmitting it now in the hope that this will afford time for favorable consideration by the current Congress.

The proposed legislation is designed to accomplish two interrelated objectives. First, the maximum insurance coverage for deposit accounts in a commercial or savings bank insured by the Federal Deposit Insurance Corporation, and for share accounts with a savings and loan association insured by the Federal Savings and Loan Insurance Corporation, would be raised from \$10,000 to \$15,000. At the same time, a number of steps would be taken to protect further the safety and liquidity of those financial institutions whose ability to attract funds from the public would be enhanced by the increase in deposit and share insurance coverage, thus bulwarking the stability of the financial system as a whole. These objectives are fully supported by the conclusions of the

Committee on Financial Institutions, which reported to the President on April 9, 1963.

The proposed bill recognizes that deposit and share insurance performs an important role in our financial system, and that increases in the maximum limit for insurance coverage of individual accounts are justified from time to time to assure that the basic purposes of this insurance will continue to be served effectively. These purposes include the preservation of public confidence in those financial institutions responsible for maintaining the bulk of our money supply and for handling most of the liquid savings of our citizens, and particularly in their ability to discharge their responsibility for providing cash to account holders fully and promptly.

Without adequate deposit and share insurance, the failure of even a single institution potentially can seriously disrupt the economy of community and bring individual hardship. Moreover, there would also be a danger that failure, or even the suspicion of failure of one institution might set off contagious and disruptive runs which even fundamentally sound institutions could not readily withstand. Another purpose of deposit and share insurance is to provide families and individuals of moderate means, frequently unable themselves to appraise accurately the soundness of available outlets for their funds, with an opportunity for fully and conveniently protecting their savings.

Clearly, these purposes can be met with full effectiveness only if the maximum limits of deposit and share insurance are high enough to provide full protection for the bulk of all accounts and for a large share of the total liabilities or share capital of the institutions concerned. While judgments may reasonably differ on the precise proportion of accounts and total funds that must be covered to assure an effective insurance program, it seems clear that prudent limits in this respect are not in danger of being breached today. But, it is also clear that maintenance of appropriate relationships may require increases in coverage from time to time in response to such factors as significantly higher price levels or increases in average income or wealth, changes in average deposit or share account balances, and similar factors; and these increases should be made before any critical problem becomes evident. A limit of \$15,000 will be ample to take account of any changes in these factors since the insurance limit was last raised from \$5,000 to \$10,000 in 1950, and will assure maintenance of a level of protection over the foreseeable future clearly adequate by standards of past experience and practice.

However, because of a number of recent events, we are also particularly conscious of the need to introduce measures to strengthen the supervisory framework. These measures are desirable in themselves and would provide needed protection against certain possible dangers associated with an increase in insurance coverage. In particular, pressures to maximize the immediate returns that can be offered to customers, at the expense of liquidity and safety, might be increased by an increase in insurance ceilings since potential large depositors and account holders would then have less incentive for carefully appraising the safety, stability, and investment practices of the institution holding their funds.

The Committee on Financial Institutions urged, and we strongly believe for the preceding reasons, that increases in insurance coverage be considered jointly with complementary action to strengthen the supervisory framework within which these institutions operate, and to enable the responsible Federal authorities to oversee more effectively certain practices with important implications for the safety and liquidity of financial institutions. To this end, the bill would pro-

89TH CONGRESS
1ST SESSION

H. R. 10871

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1965

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1966, namely:

1 **TITLE I—FOREIGN ASSISTANCE**
 2 **FUNDS APPROPRIATED TO THE PRESIDENT**
 3 **MUTUAL DEFENSE AND DEVELOPMENT**

4 For expenses necessary to enable the President to carry
 5 out the provisions of the Foreign Assistance Act of 1961, as
 6 amended, to remain available until June 30, 1966, unless
 7 otherwise specified herein, as follows:

8 **ECONOMIC ASSISTANCE**

9 Technical cooperation and development grants: For
 10 expenses authorized by section 212, ~~(1)\$202,355,000~~
 11 *\$182,355,000*.

12 American schools and hospitals abroad: For expenses
 13 authorized by section 214 (c) , \$7,000,000.

14 International organizations and programs: For expenses
 15 authorized by section 302, ~~(2)\$144,755,000~~ *\$134,755,000*.

16 Supporting assistance: For expenses authorized by sec-
 17 tion 402, ~~(3)\$369,200,000~~ *\$349,200,000*.

18 Contingency fund, general: For expenses authorized by
 19 section 451 (a) , \$50,000,000.

20 Contingency fund, southeast Asia: For expenses author-
 21 ized by section 451 (a) , \$89,000,000.

22 Alliance for Progress, technical cooperation and develop-
 23 ment grants: For expenses authorized by section 252,
 24 *\$75,000,000*.

25 Alliance for Progress, development loans: For expenses

1 authorized by section 252, ~~(4)\$445,125,000~~ \$435,125,000,
 2 together with such dollar amounts as are authorized to be
 3 made available for assistance under section 253, all such
 4 amounts to remain available until expended.

5 Development loans: For expenses authorized by sec-
 6 tion 202 (a), ~~(5)\$675,225,000~~ \$593,225,000, together with
 7 such amounts as are authorized to be made available for
 8 expenses under section 203, all such amounts to remain
 9 available until expended ~~(6):~~ *Provided, That no part of this*
 10 *appropriation may be used to carry out the provisions of sec-*
 11 *tion 205 of the Foreign Assistance Act of 1961, as amended*
 12 *: Provided, That not to exceed 10 percent of this appropria-*
 13 *tion shall be available to carry out the provisions of section*
 14 *205 of the Foreign Assistance Act of 1961, as amended.*

15 Administrative expenses: For expenses authorized by
 16 section 637 (a), \$54,240,000.

17 Administrative and other expenses: For expenses au-
 18 thorized by section 637 (b) of the Foreign Assistance Act
 19 of 1961, as amended, and by section 305 of the Mutual
 20 Defense Assistance Control Act of 1951, as amended,
 21 \$3,100,000.

22 Unobligated balances as of June 30, 1965, of funds
 23 heretofore made available under the authority of the
 24 Foreign Assistance Act of 1961, as amended, except as

1 otherwise provided by law, are hereby continued available
2 for the fiscal year 1966, for the same general pur-
3 poses for which appropriated and amounts certified pursuant
4 to section 1311 of the Supplemental Appropriation Act,
5 1955, as having been obligated against appropriations here-
6 tofore made under the authority of the Mutual Security Act
7 of 1954, as amended, and the Foreign Assistance Act of
8 1961, as amended, for the same general purpose as any of
9 the subparagraphs under "Economic Assistance" are hereby
10 continued available for the same period as the respective
11 appropriations in such subparagraphs for the same general
12 purpose: *Provided*, That such purpose relates to a project
13 or program previously justified to Congress and the Com-
14 mittees on Appropriations of the House of Representatives
15 and the Senate are notified prior to the reobligation of funds
16 for such projects or programs.

17 MILITARY ASSISTANCE

18 Military assistance: For expenses authorized by section
19 504 (a) of the Foreign Assistance Act of 1961, as amended,
20 including administrative expenses authorized by section 636
21 (g) (1) of such Act, which shall not exceed \$23,500,000
22 for the current fiscal year, and purchase of passenger motor
23 vehicles for replacement only for use outside the United
24 States: *Provided*, That none of the funds contained in this

1 paragraph shall be available for the purchase of new auto-
2 motive vehicles outside of the United States, \$1,170,000,000.

3 GENERAL PROVISIONS

4 SEC. 101. None of the funds herein appropriated (other
5 than funds appropriated under the authorization for "Inter-
6 national organizations and programs") shall be used to
7 finance the construction of any new flood control, reclama-
8 tion, or other water or related land resource project or pro-
9 gram which has not met the standards and criteria used in
10 determining the feasibility of flood control, reclamation and
11 other water and related land resource programs and projects
12 proposed for construction within the United States of
13 America as per memorandum of the President dated May
14 15, 1962.

15 SEC. 102. Obligations made from funds herein appro-
16 priated for engineering and architectural fees and services to
17 any individual or group of engineering and architectural
18 firms on any one project in excess of \$25,000 shall be re-
19 ported to the Committees on Appropriations of the Senate
20 and House of Representatives at least twice annually.

21 SEC. 103. Except for the appropriations entitled "Con-
22 tingency fund", "Alliance for Progress, development loans",
23 and "Development loans", not more than 20 per centum
24 of any appropriation item made available by this title shall

1 be obligated and/or reserved during the last month of avail-
2 ability.

3 SEC. 104. None of the funds herein appropriated nor
4 any of the counterpart funds generated as a result of assist-
5 ance hereunder or any prior Act shall be used to pay pen-
6 sions, annuities, retirement pay or adjusted service compen-
7 sation for any persons heretofore or hereafter serving in the
8 armed forces of any recipient country.

9 SEC. 105. The Congress hereby reiterates its opposition
10 to the seating in the United Nations of the Communist
11 China regime as the representative of China, and it is hereby
12 declared to be the continuing sense of the Congress that the
13 Communist regime in China has not demonstrated its will-
14 ingness to fulfill the obligations contained in the Charter of
15 the United Nations and should not be recognized to represent
16 China in the United Nations. In the event of the seating
17 of representatives of the Chinese Communist regime in the
18 Security Council or General Assembly of the United Nations
19 the President is requested to inform the Congress insofar
20 as is compatible with the requirements of national security,
21 of the implications of this action upon the foreign policy of
22 the United States and our foreign relationships, including
23 that created by membership in the United Nations, together
24 with any recommendations which he may have with respect
25 to the matter.

1 SEC. 106. It is the sense of Congress that any attempt
2 by foreign nations to create distinctions because of their race
3 or religion among American citizens in the granting of per-
4 sonal or commercial access or any other rights otherwise
5 available to United States citizens generally is repugnant to
6 our principles; and in all negotiations between the United
7 States and any foreign state arising as a result of funds
8 appropriated under this title these principles shall be applied
9 as the President may determine.

10 SEC. 107. (a) No assistance shall be furnished under
11 the Foreign Assistance Act of 1961, as amended, to any
12 country which sells, furnishes, or permits any ships under its
13 registry to carry to Cuba, so long as it is governed by the
14 Castro regime, ~~(7) or to North Vietnam,~~ in addition to those
15 items contained on the list maintained by the Administrator
16 pursuant to title I of the Mutual Defense Assistance Control
17 Act of 1951, as amended, any arms, ammunition, imple-
18 ments of war, atomic energy materials, or any other articles,
19 materials, or supplies of primary strategic significance used
20 in the production of arms, ammunition, and implements of
21 war or of strategic significance to the conduct of war, in-
22 cluding petroleum products.

23 (b) No economic assistance shall be furnished under
24 the Foreign Assistance Act of 1961, as amended, to any
25 country which sells, furnishes, or permits any ships under its

1 registry to carry items of economic assistance to Cuba, so
2 long as it is governed by the Castro regime, ~~(8) or to North~~
3 ~~Vietnam~~, unless the President determines that the withhold-
4 ing of such assistance would be contrary to the national
5 interest and reports such determination to the Foreign Rela-
6 tions and Appropriations Committees of the Senate and
7 the Foreign Affairs and Appropriations Committees of the
8 House of Representatives. Reports made pursuant to this
9 subsection shall be published in the Federal Register within
10 seven days of submission to the committees and shall contain
11 a statement by the President of the reasons for such deter-
12 mination.

13 SEC. 108. Any expenditure made from funds provided in
14 this title for procurement outside the United States of any
15 commodity in bulk and in excess of \$100,000 shall be reported
16 to the Committees on Appropriations of the Senate and the
17 House of Representatives at least twice annually: *Provided*,
18 That each such report shall state the reasons for which the
19 President determined, pursuant to criteria set forth in section
20 604 (a) of the Foreign Assistance Act of 1961, as amended,
21 that foreign procurement will not result in adverse effects
22 upon the economy of the United States or the industrial
23 mobilization base which outweigh the economic or other
24 advantages to United States of less costly procurement out-
25 side the United States.

1 SEC. 109. (a) No assistance shall be furnished to any
2 nation, whose government is based upon that theory of gov-
3 ernment known as communism under the Foreign Assistance
4 Act of 1961, as amended, for any arms, ammunition, imple-
5 ments of war, atomic energy materials, or any articles, ma-
6 terials, or supplies, such as petroleum, transportation mate-
7 rials of strategic value, and items of primary strategic
8 significance used in the production of arms, ammunition,
9 and implements of war, contained on the list maintained by
10 the Administrator pursuant to title I of the Mutual Defense
11 Assistance Control Act of 1951, as amended.

12 (b) No economic assistance shall be furnished to any
13 nation whose government is based upon that theory of gov-
14 ernment known as communism under the Foreign Assistance
15 Act of 1961, as amended (except section 214 (b)), unless
16 the President determines that the withholding of such assist-
17 ance would be contrary to the national interest and reports
18 such determination to the Foreign Affairs and Appropria-
19 tions Committees of the House of Representatives and For-
20 eign Relations and Appropriations Committees of the Senate.
21 Reports made pursuant to this subsection shall be published
22 in the Federal Register within seven days of submission to
23 the committees and shall contain a statement by the Presi-
24 dent of the reasons for such determination.

1 SEC. 110. None of the funds appropriated or made avail-
2 able pursuant to this Act for carrying out the Foreign As-
3 sistance Act of 1961, as amended, may be used for making
4 payments on any contract for procurement to which the
5 United States is a party entered into after the date of enact-
6 ment of this Act which does not contain a provision author-
7 izing the termination of such contract for the convenience of
8 the United States.

9 SEC. 111. None of the funds appropriated or made avail-
10 able by this or any predecessor Act for the years subsequent
11 to fiscal year 1962 for carrying out the Foreign Assistance
12 Act of 1961, as amended, may be used on or after 60 days
13 from the date of enactment of this Act to make payments
14 with respect to any contract for the performance of services
15 outside the United States by United States citizens unless the
16 President shall have promulgated regulations that provide
17 for the investigation of such citizens for loyalty and security
18 to the extent necessary to protect the security and other in-
19 terests of the United States: *Provided*, That such regulations
20 shall require that any such United States citizen who will
21 have access, in connection with the performance of such
22 services, to information or material classified for security
23 reasons shall be subject to such investigation as may other-
24 wise be provided by law and executive order.

25 SEC. 112. None of the funds appropriated or made avail-

1 able under this Act for carrying out the Foreign Assistance
2 Act of 1961, as amended, may be used to make payments
3 with respect to any capital project financed by loans or
4 grants from the United States where the United States has
5 not directly approved the terms of the contracts and the firms
6 to provide engineering, procurement, and construction serv-
7 ices on such projects.

8 SEC. 113. Of the funds appropriated or made available
9 pursuant to this Act not more than \$12,000,000 may be
10 used during the fiscal year ending June 30, 1966, in carrying
11 out section 241 of the Foreign Assistance Act of 1961, as
12 amended.

13 SEC. 114. None of the funds appropriated or made avail-
14 able pursuant to this Act for carrying out the Foreign Assist-
15 ance Act of 1961, as amended, may be used to pay in whole
16 or in part any assessments, arrearages or dues of any member
17 of the United Nations.

18 SEC. 115. None of the funds made available by this
19 Act for carrying out the Foreign Assistance Act of 1961,
20 as amended, may be obligated on or after April 30, 1964,
21 for financing, in whole or in part, the direct costs of any
22 contract for the construction of facilities and installations in
23 any underdeveloped country, unless the President shall, on
24 or before such date, have promulgated regulations designed
25 to assure, to the maximum extent consistent with the national

1 interest and the avoidance of excessive costs to the United
2 States, that none of the funds made available by this Act and
3 thereafter obligated shall be used to finance the direct costs
4 under such contracts for construction work performed by
5 persons other than qualified nationals of the recipient country
6 or qualified citizens of the United States: *Provided, however,*
7 That the President may waive the application of this amend-
8 ment if it is important to the national interest.

9 **(9)**SEC. 116. *In determining whether the funds appropri-*
10 *ated or made available pursuant to this Act for assistance*
11 *under the Foreign Assistance Act of 1961, as amended, may*
12 *be used for assistance to any country, the President shall*
13 *take into account such steps as that country has taken to pre-*
14 *vent ships under its registry from transporting strategic*
15 *items, items of economic assistance, or other equipment, mate-*
16 *rials or commodities to North Vietnam. If any country re-*
17 *ceiving assistance fails to take appropriate steps to prevent*
18 *its ships from transporting such items, it is the sense of the*
19 *Congress that assistance should be denied to that country.*

20 **(10)**SEC. 117. *None of the funds appropriated or made*
21 *available in this Act for carrying out the Foreign Assistance*
22 *Act of 1961, as amended, shall be available for assistance*
23 *to the United Arab Republic, unless the President determines*
24 *that such availability is essential to the national interest of*
25 *the United States.*

(11) SEC. 118. *None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to Indonesia, unless the President determines that such availability is essential to the national interest of the United States.*

TITLE II—FOREIGN ASSISTANCE (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT

PEACE CORPS

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act (75 Stat. 612), as amended, including purchase of not to exceed five passenger motor vehicles for use outside the United States, \$102,000,000, together with not to exceed \$12,100,000 of funds previously appropriated which are hereby continued available for the fiscal year 1966, of which not to exceed \$24,100,000 shall be available for administrative expenses.

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

RYUKYU ISLANDS, ARMY

ADMINISTRATION

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, as authorized by the Act of July 12, 1960 (74 Stat. 461), as amended (76 Stat. 742) ; services as authorized by sec-

tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed \$4,000 for contingencies for the High Commissioner, to be expended in his discretion; hire of passenger motor vehicles and aircraft; purchase of one passenger motor vehicle, for replacement only; and construction, repair, and maintenance of buildings, utilities, facilities, and appurtenances; \$14,733,000, of which not to exceed \$2,733,000 shall be available for administrative and information expenses: *Provided*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended, section 4774 (d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals

1 residing in such areas: *Provided further*, That the President
 2 may transfer to any other department or agency any func-
 3 tion or functions provided for under this appropriation, and
 4 there shall be transferred to any such department or agency,
 5 without reimbursement and without regard to the appropria-
 6 tion from which procured, such property as the Director of
 7 the Bureau of the Budget shall determine to relate primarily
 8 to any function or functions so transferred: *Provided further*,
 9 That reimbursement shall be made to the applicable military
 10 appropriation for the pay and allowances of any military
 11 personnel performing services primarily for the purposes of
 12 this appropriation.

13 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
 14 ASSISTANCE TO REFUGEES IN THE UNITED STATES

15 For expenses necessary to carry out the provisions of
 16 the Migration and Refugee Assistance Act of 1962 (Public
 17 Law 87-510), relating to aid to refugees within the United
 18 States, including hire of passenger motor vehicles, and serv-
 19 ices as authorized by section 15 of the Act of August 2,
 20 1946 (5 U.S.C. 55a), (12) ~~\$32,265,000~~ \$30,000,000.

21 DEPARTMENT OF STATE

22 MIGRATION AND REFUGEE ASSISTANCE

23 For expenses, not otherwise provided for, necessary to
 24 enable the Secretary of State to provide assistance to refu-
 25 gees, as authorized by law, including contributions to the

1 Intergovernmental Committee for European Migration and
2 the United Nations High Commissioner for Refugees;
3 salaries and expenses of personnel and dependents as
4 authorized by the Foreign Service Act of 1946, as amended
5 (22 U.S.C. 801-1158) ; allowances as authorized by the
6 Overseas Differentials and Allowances Act (5 U.S.C. 3031-
7 3039) ; hire of passenger motor vehicles; and services as
8 authorized by section 15 of the Act of August 2, 1946 (5
9 U.S.C. 55a) ; \$7,575,000, of which not to exceed \$7,050,000
10 shall remain available until December 31, 1966: *Provided*,
11 That no funds herein appropriated shall be used to assist
12 directly in the migration to any nation in the Western
13 Hemisphere of any person not having a security clearance
14 based on reasonable standards to insure against Communist
15 infiltration in the Western Hemisphere: *Provided further*,
16 That \$371,000 of the balances of prior year appropriations
17 under this head shall remain available until December 31, 1965.

18 FUNDS APPROPRIATED TO THE PRESIDENT

19 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

20 For subscription to the Inter-American Development
21 Bank for the second installment on the increase in callable
22 capital stock and for the second installment of the United
23 States share in the increase in the resources of the Fund for
24 Special Operations of the Bank, \$455,880,000, to remain
25 available until expended.

1 SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT

2 ASSOCIATION

3 For payment of the first installment of the supplemen-
4 tary contributions of the United States to the International
5 Development Association, \$104,000,000, to remain available
6 until expended.

7 TITLE III—EXPORT-IMPORT BANK OF

8 WASHINGTON

9 The Export-Import Bank of Washington is hereby au-
10 thorized to make such expenditures within the limits of funds
11 and borrowing authority available to such corporation, and in
12 accord with law, and to make such contracts and commit-
13 ments without regard to fiscal year limitations as provided
14 by section 104 of the Government Corporation Control Act,
15 as amended, as may be necessary in carrying out the pro-
16 gram set forth in the budget for the current fiscal year for
17 such corporation, except as hereinafter provided.

18 LIMITATION ON OPERATING EXPENSES

19 Not to exceed \$1,186,120,000 (of which not to exceed
20 \$900,000,000 shall be for long term project and equipment
21 loans) shall be authorized during the current fiscal year for
22 other than administrative expenses.

23 LIMITATION ON ADMINISTRATIVE EXPENSES

24 Not to exceed \$4,052,000 (to be computed on an
25 accrual basis) shall be available during the current fis-

1 cal year for administrative expenses, including services as
2 authorized by section 15 of the Act of August 2, 1946 (5
3 U.S.C. 55a), and not to exceed \$9,000 for entertainment
4 allowances for members of the Board of Directors: *Provided*,
5 That (1) fees or dues to international organizations of credit
6 institutions engaged in financing foreign trade, (2) necessary
7 expenses (including special services performed on a contract
8 or fee basis, but not including other personal services) in
9 connection with the acquisition, operation, maintenance, im-
10 provement, or disposition of any real or personal property
11 belonging to the Bank or in which it has an interest, including
12 expenses of collections of pledged collateral, or the investi-
13 gation or appraisal of any property in respect to which an
14 application for a loan has been made, and (3) expenses
15 (other than internal expenses of the Bank) incurred in con-
16 nection with the issuance and servicing of guarantees, insur-
17 ance, and reinsurance, shall be considered as nonadministra-
18 tive expenses for the purposes hereof.

19 None of the funds made available because of the provi-
20 sions of this title shall be used by the Export-Import Bank
21 to either guarantee the payment of any obligation hereafter
22 incurred by any Communist country (as defined in section
23 620 (f) of the Foreign Assistance Act of 1961, as amended)
24 or any agency or national thereof, or in any other way to
25 participate in the extension of credit to any such country,

1 agency, or national, in connection with the purchase of any
2 product by such country, agency, or national, except when
3 the President determines that such guarantees would be in
4 the national interest and reports each such determination to
5 the House of Representatives and the Senate within 30 days
6 after such determination.

7 TITLE IV—GENERAL PROVISIONS

8 SEC. 401. No part of any appropriation contained in this
9 Act shall be used for publicity or propaganda purposes within
10 the United States not heretofore authorized by the Congress.

11 SEC. 402. None of the funds herein appropriated shall
12 be used for expenses of the Inspector General, Foreign As-
13 sistance, after the expiration of the thirty-five day period
14 which begins on the date the General Accounting Office or
15 any committee of the Congress, or any duly authorized sub-
16 committee thereof, charged with considering foreign assist-
17 ance legislation, appropriations, or expenditures, has deliv-
18 ered to the Office of the Inspector General, Foreign
19 Assistance, a written request that it be furnished any docu-
20 ment, paper, communication, audit, review, finding, recom-
21 mendation, report, or other material in the custody or control
22 of the Inspector General, Foreign Assistance, relating to any
23 review, inspection, or audit arranged for, directed, or con-
24 ducted by him, unless and until there has been furnished to
25 the General Accounting Office or to such committee or sub-

1 committee, as the case may be, (A) the document, paper,
2 communication, audit, review, finding, recommendation,
3 report, or other material so requested or (B) a certification
4 by the President, personally, that he has forbidden the fur-
5 nishing thereof pursuant to such request and his reason for
6 so doing.

7 This Act may be cited as the "Foreign Assistance and
8 Related Agencies Appropriation Act, 1966."

Passed the House of Representatives September 8, 1965.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments September 23
(legislative day, September 20), 1965.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1965

Ordered to be printed with the amendments of the
Senate numbered

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

Issued Sept. 29, 1965
For actions of Sept. 28, 1965
89th-1st; No. 179

CONTENTS

Animal research.....9	Farm labor.....18	Research.....9
Appropriations.....1,24	HemisFair.....13	Retirement.....11,23
Canada.....6	Labor standards.....14	Soil conservation.....20
Continuing appropriations.....1	Legislative process.....7	Sugar.....4119,22
Contracts.....14	Loans.....3,10	Water.....3
Education.....10	Military construction...24	Wild rivers.....12
Extension work.....5	Personnel.....11,21,23	
	Poverty.....8	

HIGHLIGHTS: House passed measure continuing appropriations through Oct. 15. House Rules Committee cleared sugar bill. Both Houses agreed to technical amendments to Aiken-Poage water-loans bill.

HOUSE

1. APPROPRIATIONS. Passed without amendment H. J. Res. 673, making continuing appropriations for the fiscal year 1966, through October 15, 1965. pp. 24427-32

Conferees were appointed on H. R. 10871, the foreign-aid appropriation bill. p. 24426

2. WATER; LOANS. Both Houses agreed to technical amendments to S. 1766, the Aiken-Poage water-loans bill. This bill will now be sent to the President. pp. 24322, 24432

3. SUGAR. The Rules Committee "granted a closed rule, waiving points of order, with 4 hours of debate, and making it in order to be offered two amendments, H. R. 11135, the sugar bill." p. D971

4. EXTENSION WORK. Rep. Dorn commended the work of 4-H clubs. pp. 24479-80

6. CANADA. Rep. Tupper inserted a report on a Republican study of economic relations with Canada. pp. 24480-6
7. LEGISLATIVE PROCESS. Rep. Rhodes, Ariz., stated that Chairman Macy of the Civil Service Commission had engaged in improper "arm-twisting" through influencing legislation. p. 24486
8. POVERTY. Rep. Gibbons inserted a magazine article describing the poverty problem. pp. 24493-4
9. RESEARCH. Rep. Pepper spoke favoring humane treatment of research animals and inserted a resolution of the Florida Federation of Humane Societies. p. 24495

SENATE

10. EDUCATION. The Labor and Public Welfare Committee reported with amendments H. R. 9022, to amend the law authorizing aid to education in Federally impacted areas so as to permit assistance in cases of major disaster, continue assistance in spite of announcements of base closings, and delete a requirement that the large school systems must have a higher percentage of children of Federal employees in order to be eligible for assistance (S. Rept. 783). p. 24322
Passed as reported H. R. 7743, to establish a system of loan insurance and a supplementary system of direct loans, to assist students to attend post-secondary business, trade, technical, and other vocational schools. pp. 24384-94
Sen. Morse inserted a summary prepared by the U.S. Office of Education on grant programs for fiscal 1966. pp. 2367-72
The Labor and Public Welfare Committee voted to report (but did not actually report) H. R. 8310, the proposed Vocational Rehabilitation Act Amendments of 1965. p. D969
11. PERSONNEL; RETIREMENT. The Post Office and Civil Service Committee reported an original bill, S. 2572, "extending retirement benefits for Federal employees whose annuities commence after December 1, but not later than December 31, 1965 (S. Rept. 790)." pp. 24322, D968
The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 6165, to repeal 5 U.S.C. 33, which gives department heads discretion as to whether to appoint women. p. D970
12. WILD RIVERS. The Interior and Insular Affairs Committee reported with an amendment in the nature of a substitute bill S. 1446, to reserve certain public lands for a National Wild Rivers System, and to provide a procedure for adding additional public lands and other lands to the System (S. Rept. 792). pp. 24322-23
13. HEMISFAIR. Passed, after adopting an amendment to reduce authorized appropriations from \$250,000 to \$125,000, H. R. 9247, to provide for U. S. participation in the HemisFair 1968 Exposition in San Antonio, Tex. A similar bill, S. 2167, was indefinitely postponed. pp. 24372-73, 24377-83
14. CONTRACTS; LABOR STANDARDS. The Labor and Public Welfare Committee voted to report (but did not actually report) H.R. 10238, to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies. p. D969

Mr. HARTKE. It is our agency. Is that correct?

Mr. LONG of Louisiana. I like to think so.

Mr. HARTKE. They have an outstanding record of trying to be objective.

Mr. LONG of Louisiana. I am sure they have. If that is what they said, I am willing to concede that that is how they feel.

Mr. HARTKE. Whether it is 5½ or 6 percent—

Mr. LONG of Louisiana. A great many good people do not agree with that conclusion, however.

Mr. HARTKE. Let us assume that the Senator from Louisiana is correct, that it will be raised between 4½ and 5 percent.

Mr. LONG of Louisiana. We estimate that it would be about 5.1 percent.

Mr. HARTKE. Very well; 5.1 percent. Whatever the figure is, the arithmetic will be the same. By whatever proportion it increases in Canada it will decrease in the United States. Is that correct?

Mr. LONG of Louisiana. Yes; but if we think in terms of quantity or dollars, the total share of the United States in the Canadian market will be larger in 1968, and even in 1970, than it is today.

Mr. HARTKE. The proportionate share—

Mr. LONG of Louisiana. Not the proportionate share. I agree it will not be the same proportionately. It is beyond the power of the U.S. Congress, and I think also beyond the power of the President of the United States to make Canada let the United States manufacture its automobiles unless Canada agrees to let us do so.

Gen. James Wilkinson during the War of 1812, tried to arrive at a different result, and could not do it. Canada is a free, independent, sovereign country. They did not think it was a good idea at the time we sent that army up there under a distinguished officer. We did not have a good day.

Mr. HARTKE. Canada will have a good day on this one too, will they not?

Mr. LONG of Louisiana. Both countries will have a good day on this one.

Mr. HARTKE. Let us assume that they go ahead and expand their automobile operations in Canada in order to meet the requirement of Canadian value added. If the Senator will read the agreement in the information submitted in the record after the question was asked as to what this exactly means, I think he will find that this has not even been defined, and that Canada can define it unilaterally after the agreement has been entered into.

Mr. LONG of Louisiana. We have some powers, too. We are watching what Canada is doing.

Mr. HARTKE. But Canada has a right to make a decision unilaterally. Canada can decide what it means by "Canadian value added." They have that right. The legal counsel for the Secre-

tary of State—and Under Secretary Mann made a statement which appears in full in the record—said that there is no question that there is a lack of clarity concerning the meaning of "Canadian value added."

Mr. LONG of Louisiana. If Canada makes an agreement that is contrary to the objectives of the agreement which I have tried to spell out today, Canada will have violated the agreement, and we will be entitled to get out of it. As a matter of fact, even if Canada does not do so, we can, on 12 months' notice, get out of the agreement anyway, if we do not like it.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. CARLSON. The distinguished Senator from Louisiana is making an excellent defense of the agreement between the United States and Canada on automotive parts, and the distinguished Senator from Indiana is carefully pointing out some of the flaws. However, I do not believe it will be possible to complete the discussion on the bill this evening. Would the Senator from Louisiana be willing to conclude his remarks for today at this time, and resume on the same subject tomorrow?

Mr. LONG of Louisiana. Yes. I should like to suspend now, if that would be satisfactory to the Senator from Indiana, and reserve my further response until he has made his main presentation. He has been preparing his speech. I hope it will adequately present his position for the Record. I shall read it with interest. I fear that we shall not be in closer agreement than we were when we started today, but I shall certainly enjoy studying his views on the subject.

Mr. HARTKE. It is most delightful always to listen to the distinguished Senator from Louisiana. He is most persuasive; and he has persuaded me that we should proceed further into this matter tomorrow.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS UNTIL MIDNIGHT TONIGHT

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be permitted until midnight tonight to file its reports on H.R. 3141, the Health Professions Educational Assistance Amendments of 1965, and H.R. 8310, the vocational rehabilitation amendments, together with additional, supplemental, minority, and individual views, if any; and that the Committee on the District of Columbia be permitted until midnight tonight to file its report on S. 1719, a bill to provide overtime compensation for District of Columbia police and firemen, U.S. Park Police, and White House Police.

Mr. CARLSON. Mr. President, reserving the right to object—and I certainly shall not object—I hope that these re-

quests have been cleared with the appropriate Members of the minority.

Mr. LONG of Louisiana. I understand that they have been cleared with members of the committees on both sides of the aisle.

The PRESIDING OFFICER (Mr. GORE in the chair). Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SYMINGTON AT THE CONCLUSION OF ROUTINE MORNING BUSINESS ON WEDNESDAY

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that at the conclusion of the routine morning business tomorrow, the senior Senator from Missouri [Mr. SYMINGTON] be recognized and that he may be permitted to proceed for 1 hour.

The PRESIDING OFFICER (Mr. GORE in the chair). Without objection, it is so ordered.

ADJOURNMENT

Mr. LONG of Louisiana. Mr. President, if other Senators do not desire to make speeches, I am prepared to move that the Senate adjourn.

I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 47 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, September 29, 1965, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate September 28, 1965:

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from the class of career minister to the class of career ambassador: Foy D. Kohler, of Ohio.

Douglas MacArthur II, of the District of Columbia.

Thomas C. Mann, of Texas.

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Richard H. Davis, of the District of Columbia.

G. McMurtrie Godley, of the District of Columbia.

Marshall Green, of the District of Columbia.

William Leonhart, of West Virginia.

Henry J. Tasca, of the District of Columbia.

Leonard Unger, of Maryland.

THE JUDICIARY

Francis X. Morrissey, of Massachusetts, to be U.S. district judge for the district of Massachusetts vice a new position.

WITHDRAWAL

Executive nomination withdrawn from the Senate September 28, 1965:

The nomination sent to the Senate on August 31, 1965, of Mr. Robert R. Mease to be postmaster at Springtown, in the State of Pennsylvania.

House of Representatives

TUESDAY, SEPTEMBER 28, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer, and used this verse of Scripture: Matthew 7: 12: *Therefore all things whatsoever ye would that men should do to you, do ye even so to them: for this is the law and the prophets.*

Almighty God, we thank Thee for the many kind and gracious words which came from the lips of our blessed Lord.

When we consider and ponder this Golden Rule, we realize that here is the sovereign law of love in action and that it is something which humanity ought to take to heart more seriously.

Inspire us to obey it as the supreme law in human relations. Thus may we become the messengers of generosity and good will.

May we not forget that we must apply this rule not only to our deeds but to thoughts and words as well.

Help us to give evidence of the wisdom of the law of love in the world of trade and industry, of government and politics, of religion and creed.

When we take this simple step pointed out by the Golden Rule and show forth a finer skill of insight and sympathy, there will come a new day such as the sun has never looked down upon.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendments of the House to the bill (S. 1766) to amend the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply and water systems serving rural areas and to make grants to aid in rural community development planning and in connection with the construction of such community facilities, to increase the annual aggregate of insured loans thereunder, and for other purposes, with amendments in which the concurrence of the House is requested.

RESIGNATION OF MEMBER

The SPEAKER laid before the House the following communication, which was read:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., September 28, 1965.

DEAR MR. SPEAKER: It is with a considerable degree of sadness that I take this official means of resigning as a Member of the House of Representatives—a Representative from the 26th District of California—effective as of noon, Thursday, September 30, 1965.

I hope it is appropriate for me to add that I can sincerely say I have had the privilege of serving my country not only under the leadership of the great Speaker, Sam Rayburn, but under your speakership, which I regard as probably the most effective and productive sessions in our country's history. You have, in so many ways, given me your support and friendship that I, of course, cannot find a way to adequately express my appreciation and everlasting affectionate respect.

I look forward to my new assignment in a critical area of the world's history with the hope that I can put to use the lessons I have learned during my service in the House. So many Members on both sides of the aisle have made it possible, I hope, for me to have made some contribution, and I take this last opportunity of expressing my warmest thanks to each and every one of my colleagues. I shall hope to visit with you frequently.

With sincere regards and best wishes, as always, I am

Yours sincerely,

JAMES ROOSEVELT.

FOREIGN ASSISTANCE APPROPRIATION BILL, 1966

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 10871, making appropriations for foreign assistance for the fiscal year ending June 30, 1966, with Senate amendments, disagree to the amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. PASSMAN, Mr. ROONEY of New York, Mr. NATCHER, Mrs. HANSEN of Washington, Mr. COHELAN, Mr. LONG of Maryland, Mr. MAHON, Mr. SHRIVER, Mr. CONTE, Mr. ANDREWS of North Dakota, and Mr. Bow.

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill H.R. 10871 have until midnight tomorrow night in which to file a conference report on the bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORRECTION OF ROLL CALL

Mr. FOLEY. Mr. Speaker, on yesterday, November 27, on rollcall No. 328 I was not recorded as having voted. I was present in the Chamber and voted "yea". I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORRECTION OF ROLL CALL

Mr. GARMATZ. Mr. Speaker, on rollcall No. 322 I am not recorded as having voted. I was present and voted "yea". I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORRECTION OF RECORD

Mr. ADAIR. Mr. Speaker, on September 24 the gentleman from Texas [Mr. TEAGUE] obtained unanimous consent that the Record of September 23 properly reflect the colloquy on page 24019 between the gentleman and myself. The correct version of that colloquy follows herewith and I ask unanimous consent to extend it in the Record.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ADAIR. The colloquy referred to is as follows:

AMENDING TITLE 38, UNITED STATES CODE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2127) to amend title 38, United States Code, in order to provide special indemnity insurance for members of the Armed Forces serving in combat zones, and for other purposes, with a Senate amendment to the House amendment, and concur therein.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

"Page 17, lines 11 and 12 of the House engrossed amendment, strike out 'as a direct result of an explosion of an instrumentality of war; or' and insert 'as a direct result of the extra hazard of military or naval service, as such hazard may be determined by the Administrator; or'."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. ADAIR. Mr. Speaker, reserving the right to object, I wonder if the gentleman from Texas would give us a brief explanation of the Senate amendment? In advance of that I will say, Mr. Speaker, speaking for myself and I think for all minority Members, we are completely in accord with it, and that an ex-

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
TO BE QUOTED OR CITED)

Issued Oct. 1, 1965
For actions of Sept. 30, 1965
89th-1st; No. 181

CONTENTS

Animals.....	30	Health.....	11	Research.....	6,30
Appropriations.....	3,12	Housing.....	24	Retirement.....	8
Beef exports.....	18	Inflation.....	4	Revolving fund.....	28
Census.....	26	Labor standards.....	13	Roads.....	9
Consumer affairs.....	20	Lands.....	31	Stockpile.....	16
Contracts.....	13	Legislative program.....	12,25	Sugar.....	2
Education.....	14,25	Loans.....	21	Transportation.....	32
Electrification.....	28	Organization.....	17,29	Veterans' affairs.....	22
Expenditures.....	4,27	Pay.....	1	Water loans.....	21
Food problems.....	23	Personnel.....	1,8,11	Watershed.....	7
Foreign aid.....	3,12,19	Property.....	15	Wild rivers.....	31
Foreign trade.....	5	Reclamation.....	10	Wildlife.....	31

HIGHLIGHTS: House passed Federal pay bill. House Rules Committee cleared sugar bill.

HOUSE

1. FEDERAL PAY BILL. Passed, 370-7, with amendments this bill, H. R. 10281 (pp. 24748-86). Voted, 238-140, in favor of a motion by Rep. Broyhill, N. C., to re-commit the bill with instructions for agreement to an amendment to remove the provisions for a permanent system of maintaining proper relationships of certain Federal personnel and to establish a Federal Salary Review Commission (pp. 24784-5). Agreed to a Udall amendment to reduce the across-the-board salary increase from $4\frac{1}{2}\%$ to 4% (pp. 24772-7). Rejected a Derwinski to reduce the increase to 3% (pp. 24772-7).
2. SUGAR. The Rules Committee reported a resolution for consideration of H. R. 11135, the sugar bill. p. 24824
Rep. Findley claimed the sugar industry was in favor of import fees. pp. 24796-7

3. FOREIGN AID APPROPRIATION BILL. Received the conference report on this bill, H. R. 10871 (H. Rept. 1103). pp. 24738-9
 4. INFLATION; EXPENDITURES. Rep. Saylor deplored "inflation" and said the solution was to reduce Government spending. p. 24796
 5. FOREIGN TRADE. Rep. Harvey, Mich., inserted a statement by Under Secretary Barr, Treasury, on the balance of payments and the international monetary system. pp. 24803-5
The Ways and Means Committee reported without amendment H. R. 11216, "relating to the tariff treatment of articles assembled abroad of products of the United States" (H. Rept. 1104). p. 24824
 6. RESEARCH. Rep. Pepper inserted his testimony favoring legislation to provide for humane treatment of laboratory animals. pp. 24817-8
 7. WATERSHED. Received from the Budget Bureau a report on a plan for works of improvement of the Plain-Honey Creek watershed, Wis.; to Agriculture Committee. p. 24824
 8. RETIREMENT. The Post Office and Civil Service Committee reported without amendment H. R. 11303, to provide that each retirement annuity commencing after Dec. 1, 1965, but not later than Dec. 31, 1965, shall be increased from its commencing date as if the annuity commencing date were Dec. 1, 1965 (H. Rept. 1102). p. 24824
 9. ROADS. The Rules Committee reported a resolution for consideration of S. 2084, to provide for scenic development and road beautification of the Federal-aid highway systems. p. 24824
 10. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 2020, to authorize the Nevada water project. p. 24824
 11. HEALTH. The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 5147, to amend the Federal Employees Health Benefits Act of 1959 to permit until Dec. 31, 1965, certain additional health benefits plans to come within the purview of the Act. p. D981
 12. LEGISLATIVE PROGRAM. Rep. Albert announced that the conference report on the foreign aid appropriation bill will be considered today. p. 24797
- SENATE
13. CONTRACTS; LABOR STANDARDS. The Labor and Public Welfare Committee reported with amendment H. R. 10238, to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies (S. Rept. 798). p. 24632
 14. EDUCATION. The Labor and Public Welfare Committee reported with amendment H. R. 8310, the proposed Vocational Rehabilitation Act Amendments of 1965 (S. Rept. 806)(p. 24633). The bill was made the pending business for Fri. (p. 24737).
 15. PROPERTY. Received from this Department a report on the disposal of excess personal and real property for fiscal year 1965. p. 24632
 16. STOCKPILE. Sen. Byrd, Va., submitted a report from the Joint Committee on Reduction of Nonessential Federal Expenditures on Federal stockpile inventories

FOREIGN ASSISTANCE APPROPRIATIONS FOR 1966

SEPTEMBER 29, 1965.—Ordered to be printed

Mr. PASSMAN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 10871]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 6, and 8.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 7, and 12 and agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$618,225,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9, 10, and 11.

OTTO E. PASSMAN (except
as to amendments Nos. 7 and 9),
JOHN J. ROONEY,
WILLIAM H. NATCHER,
JULIA BUTLER HANSEN,
JEFFERY COHELAN,
CLARENCE D. LONG,
GEORGE MAHON,
GARNER E. SHRIVER (except
as to amendments Nos. 7 and 9),
SILVIO O. CONTE (except
as to amendments Nos. 7 and 9),
MARK ANDREWS (except
as to amendments Nos. 7 and 9),
FRANK T. BOW (except
as to amendments Nos. 7 and 9),
Managers on the Part of the House.

JOHN O. PASTORE,
CARL HAYDEN,
RICHARD B. RUSSELL,
ALLEN J. ELLENDER,
WARREN G. MAGNUSON,
SPESSARD L. HOLLAND,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—FOREIGN ASSISTANCE

ECONOMIC ASSISTANCE

Amendment No. 1—*Technical cooperation and development grants:* Appropriates \$202,355,000 as proposed by the House instead of \$182,355,000 as proposed by the Senate.

Amendment No. 2—*International organizations and programs:* Appropriates \$144,755,000 as proposed by the House instead of \$134,755,000 as proposed by the Senate.

Amendment No. 3—*Supporting assistance:* Appropriates \$369,200,000 as proposed by the House instead of \$349,200,000 as proposed by the Senate.

Amendment No. 4.—*Alliance for Progress, development loans:* Appropriates \$435,125,000 as proposed by the Senate instead of \$445,125,000 as proposed by the House.

Amendment No. 5—*Development loans:* Appropriates \$618,225,000 instead of \$675,225,000 as proposed by the House and \$593,225,000 as proposed by the Senate.

Amendment No. 6—*Development loans:* Restores House language which prohibits the transfer of development loan funds to the International Development Association, the World Bank, and the International Finance Corporation, instead of Senate language which would have permitted the transfer of not to exceed 10 percent of such funds to such multilateral agencies.

Amendment No. 7—*General provisions:* Deletes House language relating to North Vietnam.

Amendment No. 8—*General provisions:* Restores House language relating to North Vietnam.

Amendment No. 9—*General provisions:* Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with an amendment. The proposed amendment is as follows:

SEC. 116. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country that sells, furnishes, or permits any ships under its registry to carry to North Vietnam any of the items mentioned in

subsection 107(a) of this Act unless the President determines that the withholding of such assistance would be contrary to the national interest of the United States and reports such determination to the Congress.

Amendment No. 10—*General provisions*: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts a new general provision—section 117—prohibiting assistance to the United Arab Republic unless the President determines that the availability of such assistance is essential to the national interest of the United States.

Amendment No. 11—*General provisions*: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts a new general provision—section 118—prohibiting assistance to Indonesia unless the President determines that the availability of such assistance is essential to the national interest of the United States.

TITLE II—FOREIGN ASSISTANCE (OTHER)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Amendment No. 12—*Assistance to refugees in the United States*: Appropriates \$30,000,000 as proposed by the Senate instead of \$32,265,000 as proposed by the House.

OTTO E. PASSMAN (except
as to amendments Nos. 7 and 9),
JOHN J. ROONEY,
WILLIAM H. NATCHER,
JULIA BUTLER HANSEN,
JEFFERY COHELAN,
CLARENCE D. LONG,
GEORGE MAHON,
GARNER E. SHRIVER (except
as to amendments Nos. 7 and 9),
SILVIO O. CONTE (except
as to amendments Nos. 7 and 9),
MARK ANDREWS (except
as to amendments Nos. 7 and 9),
FRANK T. BOW (except
as to amendments Nos. 7 and 9),
Managers on the Part of the House.



which I had the honor to be the author, be included in the bill. I thoroughly agree with the Senator and will be delighted to join him in that total effort.

Mr. DOMINICK. I thank the Senator from New York.

Mr. HILL. I say to my distinguished friend from Colorado that I agree with him wholeheartedly. We should continue to explore the matter, just as the Senator from Colorado has suggested and as the Senator from New York has agreed.

Mr. DOMINICK. I am sure that under the capable leadership of the Senator from Alabama, and with the assistance of the Senator from New York, we can have this done with many programs as we move forward.

Mr. HILL. I thank the Senator.

Mr. JAVITS. If the Senator will yield, I think I have said what I wanted to say. I wanted to make clear that we did what we did about pharmacists because we find it represents a profession in which there is a shortage. I also wanted to trace out the origins of this bill, because the authorization in this measure sounds like a substantial sum of money. I think the Senate is entitled to know the postulate of experience upon which we have based it, that it is not just breaking in here with an untried \$700 million program.

I think, the orders of magnitude having already been established by the actual appropriations in the existing bill. I think the Senate should not feel that at this late hour on a Thursday night we have suddenly come in with some untried big money program. It is most deserving and is the very bedrock of anything in the medical care field to have the professional people needed to do the job. That is exactly what we have been endeavoring to provide through this program.

I should like to reiterate the fact that the Senator from Colorado renders us all a service in alerting us to the private enterprise possibilities, which are enormous in this field, and which we should utilize to the full in every way they can be adapted to fill the need. Thus the Government would only be the backup where it is absolutely necessary.

Mr. HILL. I thank the esteemed Senator from New York for his statement.

I yield to the Senator from Rhode Island.

Mr. PELL. Mr. President, I wish to associate myself with the remarks of the Senator from New York, and say that this bill had been carefully considered in the subcommittee and the committee, that we fought long and hard on it, and are delighted with the way it has come out, and also to express my belief that the podiatrists and the pharmacists are also included in this new version of the bill.

Mr. HILL. I express my thanks to the Senator from Rhode Island for the fine help he gave in the consideration and in the reporting of the bill.

Mr. President, I think I should say one word more. I spoke about this bill being passed by an overwhelming vote in the House of Representatives, a vote of 340 to

47, and the fact that it has the support of the administration and the Bureau of the Budget.

It also has the support of the American College of Physicians, the Association of American Medical Colleges, the American Dental Association, the Association of American Dental Schools, the American Nurses Association, the American Association of Colleges of Pharmacy, the American Podiatry Association, the American Hospital Association, the American Public Health Association, the Pharmaceutical Manufacturers Association, the American Osteopathic Association, the American Association of Retail Druggists, the American Pharmaceutical Association, and many individuals and representatives of schools, who have conveyed their strong support of this bill to the committee.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

Mr. HILL. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The amendments were ordered to be engrossed, and the bill to be read the third time.

The bill was read the third time, and passed.

Mr. HILL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT OF THE VOCATIONAL REHABILITATION ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 8310.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 8310) to amend the Vocational Rehabilitation Act to assist in providing more flexibility in the financing and administration of State rehabilitation programs, and to assist in the expansion and improvement of services and facilities provided under such programs, particularly for the mentally retarded and other groups presenting special vocational rehabilitation problems, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that this bill be made the pending business for tomorrow. There will be no action taken on the measure this evening.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO RECEIVE MESSAGES AND SIGN BILLS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House, and that the Vice President be authorized to sign bills during the adjournment of the Senate until noon, October 1, 1965.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL TOMORROW AT 11 A.M.

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move, pursuant to the order previously entered, that the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 15 minutes p.m.) the Senate, under the order previously entered, adjourned until tomorrow, Friday, October 1, 1965, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 30, 1965:

IN THE ARMY

The following named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. William Henry Sterling Wright, O18129, Army of the United States (major general, U.S. Army).

U.S. MARSHAL

Leonard T. Neckathorn, of South Dakota, to be U.S. marshal for the district of South Dakota for the term of 4 years. (Reappointment.)

U.S. ATTORNEY

H. Moody Brickett, of Montana, to be U.S. attorney for the district of Montana for the term of 4 years. (Reappointment.)

CONFIRMATION

Executive nominations confirmed by the Senate September 30, 1965:

PUBLIC HEALTH SERVICE

William H. Stewart, of Maryland, to be Surgeon General of the Public Health Service for a term of 4 years.

House of Representatives

THURSDAY, SEPTEMBER 30, 1965

The House met at 12 o'clock noon.

Dr. Josef Nordenhaug, general secretary of the Baptist World Alliance, offered the following prayer:

Psalm 143: 8: *Let me hear in the morning of Thy steadfast love, for in Thee I put my trust. Teach me the way I should go, for to Thee I lift up my soul.*

Let us pray:

Almighty God, we thank Thee that the way to Thee is open. Give us now an awareness of Thy presence, and faith to respond to Thy beckoning.

We declare our utter dependence on Thee and confess our failures and limitations. We seek Thy forgiveness for the past and resources for the obligations of the future.

We do not shrink back from the burdens of this turbulent age, but are grateful that Thou hast matched us with this hour.

We intercede for our Nation and all the peoples of the earth. Guide us by Thy Spirit to find the way of peace and righteousness and to walk in it.

May the peace of God guard our hearts and minds through Christ Jesus. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Geisler, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of President approved and signed bills and a joint resolution of the House of the following titles:

On September 14, 1965:

H.R. 4465. An act to enact part III of the District of Columbia Code, entitled "Decedents' Estates and Fiduciary Relations," codifying the general and permanent laws relating to decedents' estates and fiduciary relations in the District of Columbia.

On September 15, 1965:

H.R. 1443. An act for the relief of Mrs. Olga Bernice Bramson Gilfillan;

H.R. 1627. An act for the relief of Esterina Ricupero;

H.R. 1820. An act for the relief of Winsome Elaine Gordon;

H.R. 2678. An act for the relief of Joo Yul Kim;

H.R. 2871. An act for the relief of Dorota Zytka;

H.R. 3292. An act for the relief of Consuelo Alvarado de Corpus;

H.R. 5024. An act to amend titles 10 and 14, United States Code, and the Military Personnel and Civilian Employees' Claims Act of 1964, with respect to the settlement of claims against the United States by members of the uniformed services and civilian officers and employees of the United States for damage to, or loss of, personal property incident to their

service, and for other purposes;

H.R. 6719. An act for the relief of Mrs. Kazuyo Watanabe Ridgely; and

H.R. 9570. An act to amend the Federal Firearms Act to authorize the Secretary of the Treasury to relieve applicants from certain provisions of the act if he determines that the granting of relief would not be contrary to the public interest, and that the applicant would not be likely to conduct his operations in an unlawful manner.

On September 16, 1965:

H.R. 10775. An act to authorize certain construction at military installations, and for other purposes.

On September 17, 1965:

H.R. 725. An act to clarify the responsibility for marking of obstructions in navigable waters;

H.R. 727. An act to provide for the administration of the Coast Guard Band; and

H.R. 1402. An act for the relief of Dr. Jorge Rosendo Barahona.

On September 21, 1965:

H.R. 2305. An act for the relief of Zenaida Quinano Lazaro;

H.R. 3039. An act to amend 1006 of title 37, United States Code, to authorize the Secretary concerned, under certain conditions, to make payment of pay and allowances to members of an armed force under his jurisdiction before the end of the pay period for which such payment is due;

H.R. 5989. An act to amend section 27, Merchant Marine Act of 1920, as amended (46 U.S.C. 883); and

H.R. 8351. An act for the relief of Clarence L. Aiu and others.

On September 22, 1965:

H.R. 8027. An act to provide assistance in training State and local law enforcement officers and other personnel, and in improving capabilities, techniques, and practices in State and local law enforcement and prevention and control of crime, and for other purposes;

H.R. 8333. An act to amend title 10, United States Code, to provide for the establishment of a program of cash awards for suggestions, inventions, or scientific achievements by members of the Armed Forces which contribute to the efficiency, economy, or other improvement of Government operations; and

H.R. 10586. An act making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes.

On September 25, 1965:

H.R. 1892. An act for the relief of M. Sgt. Richard G. Smith, U.S. Air Force, retired;

H.R. 7779. An act to provide for the retirement of enlisted members of the Coast Guard Reserve;

H.R. 8761. An act to provide an increase in the retired pay of certain members of the former Lighthouse Service;

H.R. 10323. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes; and

H.J. Res. 504. Joint resolution to facilitate the admission into the United States of certain aliens.

On September 27, 1965:

H.R. 6431. An act to amend the Tariff Act of 1930 to provide that certain forms of nickel be admitted free of duty; and

H.R. 8469. An act to provide certain in-

creases in annuities payable from the civil service retirement and disability fund, and for other purposes.

On September 29, 1965:

H.R. 3128. An act for the relief of Angelo Iannuzzi;

H.R. 3684. An act for the relief of Maj. Alexander F. Berol, U.S. Army, retired;

H.R. 8218. An act for the relief of Walter K. Willis;

H.R. 9221. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1966, and for other purposes;

H.R. 10014. An act to amend the act of July 2, 1954, relating to office space in the districts of Members of the House of Representatives, and the act of June 27, 1956, relating to office space in the States of Senators; and

H.R. 10874. An act to amend the Railroad Retirement Act of 1937 and the Railroad Retirement Tax Act to eliminate certain provisions which reduce spouses' annuities, to provide coverage for tips, to increase the base on which railroad retirement benefits and taxes are computed, and to change the railroad retirement tax rates.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 596. An act to amend the Public Health Service Act to assist in combating heart disease, cancer, and stroke, and other major diseases.

The message also announced that the Presiding Officer of the Senate, pursuant to Public Law 115, 78th Congress, entitled "An act to provide for the disposal of certain records of the U.S. Government," appointed Mr. MONRONEY and Mr. CARLSON members of the joint select committee on the part of the Senate for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 66-6.

FOREIGN ASSISTANCE APPROPRIATION ACT, 1966

Mr. WHITTEN. Mr. Speaker, on behalf of the gentleman from Louisiana [Mr. PASSMAN], I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H.R. 10871), the Foreign Assistance and Related Agencies Appropriation Act of 1966.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 1103)

The committee of conference on the disagreeing votes of the two Houses on the

amendments of the Senate to the bill (H.R. 10871) "making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 6, and 8.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 7, and 12; and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$618,225,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9, 10, and 11.

OTTO E. PASSMAN (except as to amendments 7 and 9),

JOHN J. ROONEY,
WILLIAM H. NATCHER,
JULIA BUTLER HANSEN,
JEFFERY COHELAN,
CLARENCE D. LONG,

GEORGE MAHON,
GARNER E. SHRIVER (except as to amendments 7 and 9),

SILVIO O. CONTE (except as to amendments 7 and 9),

MARK ANDREWS (except as to amendments 7 and 9),

FRANK T. BOW (except as to amendments 7 and 9),

Managers on the Part of the House.

JOHN O. PASTORE,
CARL HAYDEN,
RICHARD B. RUSSELL,
ALLEN J. ELLENDER,
WARREN G. MAGNUSON,
SPESSARD L. HOLLAND,
LEVERETT SALTONSTALL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10871) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—FOREIGN ASSISTANCE

Economic assistance

Amendment No. 1—Technical cooperation and development grants: Appropriates \$202,355,000 as proposed by the House instead of \$182,355,000 as proposed by the Senate.

Amendment No. 2—International organizations and programs: Appropriates \$144,755,000 as proposed by the House instead of \$134,755,000 as proposed by the Senate.

Amendment No. 3—Supporting assistance: Appropriates \$369,200,000 as proposed by the House instead of \$349,200,000 as proposed by the Senate.

Amendment No. 4—Alliance for Progress, development loans: Appropriates \$435,125,000 as proposed by the Senate instead of \$445,125,000 as proposed by the House.

Amendment No. 5—Development loans: Appropriates \$618,225,000 instead of \$675,225,000 as proposed by the House and \$593,225,000 as proposed by the Senate.

Amendment No. 6—Development loans: Restores House language which prohibits the transfer of development loan funds to the International Development Association, the World Bank, and the International Finance Corporation, instead of Senate language which would have permitted the transfer of not to exceed 10 per centum of such funds to such multilateral agencies.

Amendment No. 7—General Provisions: Deletes House language relating to North Vietnam.

Amendment No. 8—General Provisions: Restores House language relating to North Vietnam.

Amendment No. 9—General Provisions: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur with an amendment. The proposed amendment is as follows:

"Sec. 116. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country that sells, furnishes or permits any ships under its registry to carry to North Vietnam any of the items mentioned in subsection 107(a) of this Act unless the President determines that the withholding of such assistance would be contrary to the national interest of the United States and reports such determination to the Congress."

Amendment No. 10—General Provisions: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts a new general provision—section 117—prohibiting assistance to the United Arab Republic unless the President determines that the availability of such assistance is essential to the national interest of the United States.

Amendment No. 11—General Provisions: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts a new general provision—section 118—prohibiting assistance to Indonesia unless the President determines that the availability of such assistance is essential to the national interest of the United States.

TITLE II—FOREIGN ASSISTANCE (OTHER)

Department of Health, Education, and Welfare

Amendment No. 12—Assistance to Refugees in the United States: Appropriates \$30,000,000 as proposed by the Senate instead of \$32,265,000 as proposed by the House.

OTTO E. PASSMAN (except as to amendments Nos. 7 and 9),

JOHN J. ROONEY,
WILLIAM H. NATCHER,
JULIA BUTLER HANSEN,
JEFFERY COHELAN,
CLARENCE D. LONG,

GEORGE MAHON,
GARNER E. SHRIVER (except as to amendments 7 and 9),

SILVIO O. CONTE (except as to amendments 7 and 9),

MARK ANDREWS (except as to amendments 7 and 9),

FRANK T. BOW (except as to amendments 7 and 9),

Managers on the Part of the House.

AMEND TITLE V OF THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take him from the Speaker's desk the bill (H.R. 9336) to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of

Cuba, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That section 501 of the International Claims Settlement Act of 1949 (22 U.S.C. 1643) is amended by striking out 'which have arisen out of debts for merchandise furnished or services rendered by nationals of the United States without regard to the date on which such merchandise was furnished or services were rendered or'.

"Sec. 2. Section 503(a) of such Act (22 U.S.C. 1643b(a)) is amended by striking out 'arising out of debts for merchandise furnished or services rendered by nationals of the United States without regard to the date on which such merchandise was furnished or services were rendered or'.

"Sec. 3. Section 505(a) of such Act (22 U.S.C. 1643d) is amended by adding a new sentence at the end thereof as follows: 'A claim under section 503(a) of this title based upon a debt or other obligation owing by any corporation, association, or other entity organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico shall be considered, only when such debt or other obligation is a charge on property which has been nationalized, expropriated, intervened, or taken by the Government of Cuba.'

"Sec. 4. Section 506 of such Act (22 U.S.C. 1643e) is amended by striking out: 'Provided, That the deduction of such amounts shall not be construed as divesting the United States of any rights against the Government of Cuba for the amounts so deducted'.

"Sec. 5. Section 511 of such Act (22 U.S.C. 1643j) is amended to read as follows:

"APPROPRIATIONS

"Sec. 511. There are hereby authorized to be appropriated such sums as may be necessary to enable the Commission to pay its administrative expenses incurred in carrying out its functions under this title."

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. HALL. Mr. Speaker, reserving the right to object, will the gentleman please explain the Senate amendments?

Mr. FASCELL. If the gentleman will yield, I will be very happy to explain them.

Mr. HALL. I should be glad to yield.

Mr. FASCELL. As you will recall, this bill passed the House earlier without any objection. When it got to the other body three amendments were added. The first amendment pertains to the decisions of the Foreign Claims Settlement Commission. In addition to the written decision, a statement of the evidence relied upon and the reasoning employed in reaching the decision is required.

In the House version that language was not included. The other body decided to put it back in. We felt that a documented explanation of claims determination was actually calling for too much detail, but the other body insisted on it.

Mr. HALL. It really was just a question of having conforming technical language?

Mr. FASCELL. The gentleman is correct. The other matter which is more

substantive had to do with the limitation on the House side on the authorization, not to exceed \$750,000. The Senate removed the limitation and inserted a general authorization. We cannot conceive any reason why the administrative expenses for the program should go beyond \$750,000 to \$1 million. It is our intention that they should not.

Therefore we had no particular objection to the removal of the limitation although I am frank to say that I would much prefer to stay within the limitation.

Mr. HALL. Is the gentleman now advising the House that this is open ended so far as expenses of the Commission are concerned?

Mr. FASCELL. Yes. The authorization limitation has been removed. I should like to say to the gentleman that I am not unduly concerned about that because, as we know, it still has to go through the appropriations process. These are administrative expenses for processing, for personnel, et cetera, which we can keep under careful scrutiny. It is our purpose in the authorizing committee to do that.

So, as I say, I am not unduly concerned on that score.

Mr. HALL. Mr. Speaker, I appreciate the gentleman's making that legislative record. We are constantly aware that these authorizations come back to haunt us in the appropriations process. We have to lay one off against the other. We would certainly hope that we never just tacitly agree to open-ended authorizations of appropriation.

Mr. FASCELL. I understand the gentleman's feeling.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. HALL. I am delighted to yield to the distinguished minority leader.

Mr. GERALD R. FORD. Even though the total limitation has been removed, my impression from the colloquy taking place is that those who are administering the program shall be required, according to the words of the gentleman from Florida, to have in effect an administrative ceiling on the handling of this particular program; is that correct?

Mr. FASCELL. The gentleman is correct. I can tell you why this came about. The best estimates on administrative cost ran somewhere between \$750,000 and \$1 million. I think that is the reason that the other body decided to remove the limitation. We had intended to stay within those figures and certainly I should think \$750,000 would be sufficient.

Mr. HALL. Mr. Speaker, I thank the distinguished minority leader for his contribution, and I thank the gentleman for his explanation.

Mr. FASCELL. Mr. Speaker, there is one other amendment to which I might refer. This has to do with creditor claims. Such claims must be evidenced by a charge on the property taken. This was not in the House version because we could not get an agreement as to how creditors could file separate claims. The other body, the executive agencies con-

curring, would allow creditors to file separate claims where that credit was secured by a property interest.

That is what this amendment does. We believe it is a good amendment. Therefore, we ask the House to concur in it.

Mr. Speaker, it is not intended by reference to a takeover date in this legislation to give the Government of Cuba the advantage of any statute of limitations defense not asserted prior to the takeover date.

Furthermore, the amendments are not intended to deprive an American claimant of a legitimate element of its claim and provide a windfall to the Cuban Government. Services rendered or merchandise furnished in intercompany transactions regardless of their date ought to be considered, even though legal steps were not taken to establish these debts and to prevent the running of the statute of limitations. For example, claims based on transactions between an American supply company operating in Cuba through its wholly owned Cuban subsidiary where goods have been delivered over a long period of years prior to 1959 and payment has not been received, nor legal action taken to reduce the debt to judgment or otherwise establish it through judicial proceedings, should be considered by the Foreign Claims Settlement Commission.

Mr. HALL. Mr. Speaker, I certainly thank the gentleman for his explanation. It is entirely satisfactory. But now the House has this information to which we will agree by unanimous consent, although I still have some reservation about the second portion of the amendment which is on open-ended funding, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CORRECTION OF VOTE

Mr. ST. ONGE. Mr. Speaker, on roll-call No. 388, to recommit the bill H.R. 4644 to provide home rule for the District of Columbia, I am recorded as not voting. I was present and voted "nay." I ask unanimous consent that the permanent Record and the Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

CORRECTION OF VOTE

Mr. ABBITT. Mr. Speaker, on roll-call No. 252 I am recorded as not voting. I was present and voted "aye." I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to

the request of the gentleman from Virginia?

There was no objection.

"CANBERRA" WEEK

Mr. BATES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Concurrent Resolution 508, and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 508

Whereas the United States ship *Canberra* is the only cruiser in American naval history to bear the name of a foreign city; and

Whereas the United States ship *Canberra* was chosen to be one of the first guided-missile cruisers in the world; and

Whereas the United States ship *Canberra* has been in the service of the United States Navy for over twenty years and established a record of which all Americans can be justly proud; and

Whereas the United States ship *Canberra* is currently in service as part of the effort to stem the tide of Communist aggression: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President is authorized and requested to issue a proclamation setting aside the eight-day period beginning October 10, 1965, as "Canberra Week" in honor of all those who have served, and are serving, the cause of freedom as officers and members of the crew of the United States ship *Canberra*.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. MACGREGOR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Minnesota makes the point of order that a quorum is not present. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 340]

Anderson, Ill.	Diggs	Morris
Andrews,	Dorn	Morton
George W.	Dow	O'Hara, Ill.
Andrews,	Duncan, Oreg.	Powell
Glenn	Frelinghuysen	Rivers, Alaska
Ashley	Goodell	Rivers, S.C.
Aspinall	Hagan, Ga.	Robison
Blatnik	Hansen, Iowa	Roncalio
Bolton	Hardy	Scott
Bonner	Hathaway	Sickles
Brown, Calif.	Holifield	Talcott
Burton, Utah	Johnson, Okla.	Thomas
Carter	Lindsay	Thompson, N.J.
Colmer	Long, La.	Toll
Daddario	Michel	Wilson, Bob
Dawson	Mize	

The SPEAKER. On this rollcall 344 Members have answered to their names, a quorum.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Oct. 4, 1965
For actions of Oct. 1, 1965
89th-1st; No. 182

CONTENTS

Adjournment.....5	Education.....10	Public works.....24
Air pollution.....11	Farm labor.....16	Recreation.....26
Animal research.....23	Fisheries.....25	Research.....17,23,25
Appropriations.....1,28	Foreign aid.....1	Small business.....9
Buildings and grounds....6	Inflation.....13	Sugar.....2,4,19
Continuing	Labor standards.....8	Trade fairs.....12
appropriations.....28	Lands.....21	Veterans' affairs.....14
Contracts.....8	Legislative program.....4	Water resources.....22
Disaster relief.....15,27	Pay.....3,7,18	
Economic development....24	Personnel.....3,7,18	

HIGHLIGHTS. House agreed to conference report on foreign-aid appropriation bill.

HOUSE

1. FOREIGN-AID APPROPRIATION BILL. By a 204-127 vote, agreed to the conference report on this bill, H. R. 10871. pp. 24844-55
2. SUGAR. Rep. Findley criticized the sugar bill. pp. 24882, 24887
3. PERSONNEL. Rep. Duncan, Tenn., recommended Federal pay raises. p. 24884
4. LEGISLATIVE PROGRAM. Rep. Albert announced that there will be no session today, gave a list of relatively minor bills to be considered on suspension Tues., said the Consent Calendar will also be considered on Tues., listed bills to be considered Wed., and said the sugar bill will come up Thurs. and the balance of the week. He said, "We are certainly well on the way to the bottom of the barrel." pp. 24880-1
5. ADJOURNED until Tues., Oct. 5. p. 24897

SENATE

6. BUILDINGS AND GROUNDS. The Government Operations Committee reported without amendment H. R. 9830, to authorize executive agencies to pay a State or political subdivision for sidewalk repair or replacement around their buildings (S. Rept. 811). p. 24901
7. PERSONNEL. Passed without amendment H. R. 6165, to repeal 5 U.S.C. 33, which gives department heads discretion as to whether to appoint women. This bill will now be sent to the President. p. 24900
Sen. Lausche stated he will not support the House-passed "4-percent pay raise" bill if it does not comply with the guidelines established by the President's Advisory Committee. pp. 24946-47
8. CONTRACTS; LABOR STANDARDS. Passed as reported H. R. 10238, to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies. pp. 24942-43
9. SMALL BUSINESS. Passed without amendment S. 2542, increasing by \$120,000,000 the authorization for the SBA revolving fund. p. 24900
10. EDUCATION. Passed as reported H. R. 8310, to amend the Vocational Rehabilitation Act to assist in providing more flexibility in the financing and administration of State rehabilitation programs, and to assist in the expansion and improvement of services and facilities provided under such programs, particularly for the mentally retarded and other groups presenting special vocational rehabilitation problems. pp. 24918-24
Passed as reported H. R. 9022, to amend the law authorizing aid to education in Federally impacted areas so as to permit assistance in cases of major disaster, continue assistance in spite of announcements of base closings, and delete a requirement that the large school systems must have a higher percentage of children of Federal employees in order to be eligible for assistance. pp. 24924, 24936-41
11. AIR POLLUTION. Concurred in the House amendments to S. 306, to amend the Clean Air Act to require standards for controlling the emission of pollutants from gasoline-powered or diesel-powered vehicles, and to establish a Federal Air Pollution Control Laboratory. This bill will now be sent to the President. pp. 24932-36
12. TRADE FAIRS. Received from Commerce Dept. a report on Mobile Trade Fair activities. p. 24901
13. INFLATION. Sen. Proxmire stated that prices "fell by two-tenths of 1 percent" in August and inserted Labor Dept.'s "Consumer Price Index for August." pp. 24909-11
14. VETERANS' AFFAIRS. Sen. Yarborough inserted a letter in support of the cold war GI bill. pp. 24911-12
15. DISASTER RELIEF. Sen. Ellender told of his inspection tour of damage caused in Louisiana by hurricane Betsy and urged legislation for relief of this area. p. 24913

A similar House joint resolution (H.J. Res. 642) was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. GRAY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the joint resolution just passed, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON WAYS AND MEANS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report to accompany H.R. 9042.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 1115)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9042) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 6, 7, 8, 9, 11, and 12, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with amendments, as follows: Restore the matter proposed to be stricken out by the Senate amendment, omit the matter proposed to be inserted by the Senate amendment, and on page 5 of the House engrossed bill, after line 21, insert the following:

"(e) This section shall cease to be in effect on the day after the date of the enactment of this Act."

And the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SPECIAL REPORTS TO CONGRESS

"SEC. 205. (a) No later than August 31, 1968, the President shall submit to the Senate and the House of Representatives a special report on the comprehensive review called for by Article IV (c) of the Agreement. In such report he shall advise the Congress of the progress made toward the achievement of the objectives of Article I of the Agreement.

"(b) Whenever the President finds that any manufacturer has entered into any undertaking, by reason of governmental action, to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1966, he shall report such finding to the Senate and the House of Representatives. The President shall also report whether such undertaking is additional to undertakings

agreed to in letters of undertaking submitted by such manufacturer before the date of the enactment of this Act.

"(c) The reports provided for in subsections (a) and (b) of this section shall include recommendations for such further steps, including legislative action, if any, as may be necessary for the achievement of the purposes of the Agreement and this Act."

And the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: On page 7, line 4, of the Senate engrossed amendments, after "specifically shall include" insert the following: "; to the extent practicable,"; and the Senate agree to the same.

W. D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
JOHN W. BYRNES,
THOMAS B. CURTIS,
JAMES UTT,

Managers on the Part of the House.

HARRY F. BYRD,
RUSSELL B. LONG,
GEORGE SMATHERS,
JOHN J. WILLIAMS,
FRANK CARLSON,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9042) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Section 202(a) of the bill as passed by the House authorized the President to proclaim modifications of the Tariff Schedules required to carry out an agreement with a foreign government providing for the mutual elimination of the duties applicable to products of the United States and such foreign country which are motor vehicles and fabricated components intended for use as original equipment in the manufacture of such vehicles.

Section 202(b) authorized the President to proclaim modifications of the Tariff Schedules required to carry out a further agreement, with a foreign country having an agreement applicable to products described in section 202(a), providing for the mutual reduction or elimination of the duties applicable to automotive products other than motor vehicles and fabricated components intended for original use as original equipment in the manufacture of such vehicles.

Section 202(c) provided that, before the President enters into an agreement referred to in section 202 (a) or (b), he shall—

(1) Seek the advice of the Tariff Commission as to the probable economic effect of the reduction or elimination of duties on industries producing articles like or directly competitive with those which may be covered by such agreement;

(2) Give reasonable public notice of his intention to negotiate such agreement (which notice shall be published in the Federal Register) in order that any interested person may have an opportunity to present his views to such agency as the President shall designate, under such rules and regulations as the President may prescribe; and

(3) Seek information and advice with respect to such agreement from the Depart-

ments of Commerce, Labor, State, and the Treasury, and from such other sources as he may deem appropriate.

Section 202(d) (2) of the bill as passed by the House authorized the President to issue any proclamation referred to in section 202 (a) or (b) only after the expiration of the 60-day period following its delivery to Congress and only if, between the date of delivery and the expiration of the 60-day period, the Congress has not adopted a concurrent resolution stating in substance that the Senate and House of Representatives disapprove of the agreement.

Senate amendment No. 1 struck out section 202(d) (2) of the bill and substituted a provision authorizing the President to issue any proclamation referred to in section 202 (a) or (b) only if the Congress has adopted a concurrent resolution stating in substance that the Senate and the House of Representatives approve the implementation of the agreement.

Under the conference agreement, the House language is restored, the Senate language is omitted, and new language is inserted providing that section 202 of the bill shall cease to be in effect on the day after the date of the enactment of the bill.

In reaching agreement with respect to amendment No. 1, the managers both on the part of the House and on the part of the Senate expressed the hope that should the President, under his constitutional authority, enter into the negotiation of any agreement relating to automotive products (whether motor vehicles, parts intended for use as original equipment, or replacement parts) the President will prior thereto—

(1) Seek the advice of the Tariff Commission as to the probable economic effect of the reduction or elimination of duties on industries producing articles like or directly competitive with those which may be covered by such an agreement,

(2) Give reasonable public notice of his intention to negotiate such an agreement (and publish notice thereof in the Federal Register) in order that interested persons may have an opportunity to present their views to such agency as the President may designate for that purpose, and

(3) Seek information and advice with respect to such an agreement from the appropriate departments and agencies of the Government, and from such other sources as he may deem appropriate.

It is understood, of course, that any executive agreement that the President may enter into under his constitutional authority can, insofar as any changes in U.S. tariff treatment are concerned, be implemented only by congressional action.

Amendment No. 2. This amendment added a new section 205 to the bill to provide that, under specified circumstances, the President is to cause an investigation to be made to determine whether any manufacturer has undertaken, by reason of governmental action to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1966. If, as a result of such an investigation, the President determines (after applying subsection (c) of the new section) that any manufacturer has undertaken, by reason of governmental action, to increase such Canadian value added, he is to suspend the proclamations issued by him pursuant to section 201 of this act. The amendment also provides for the termination of any such suspension.

The House recedes with an amendment. Under the conference agreement a new section 205, relating to special reports to Congress, is added to the bill.

Such section 205 provides that, no later than August 31, 1968, the President is to submit to the Congress a special report on

the comprehensive review called for by Article IV(c) of the Agreement.

The new section 205 also provides that whenever the President finds that any manufacturer has entered into any undertaking, by reason of governmental action, to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1968, he shall report such finding to the Senate and the House of Representatives. The President is also to report whether such undertaking is additional to undertakings agreed to in letters of undertaking submitted by such manufacturer before the date of the enactment of this legislation.

The reports provided for in the new section 205 are to include recommendations for such further steps, including legislative action, if any, as may be necessary for the achievement of the purposes of the Agreement and the Act.

Amendments Nos. 3, 4, 5, 6, 7, 8, and 9: These amendments make technical amendments to title IV of the bill to conform tariff designations of articles entitled to duty-free entry to changes in the Tariff Schedules of the United States made by the Technical Amendments Act of 1965. The House recedes.

Amendment No. 10: Section 502 of the bill as passed both by the House and the Senate requires the President to submit to the Congress an annual report on the implementation of the bill and required the report to "include information regarding new negotiations, reductions or eliminations of duties, reciprocal concessions obtained, and other information relating to activities under the Act." Senate amendment No. 10 requires in addition that the annual report include information providing an evaluation of the Canadian Auto Agreement and the Act in relation to the total national interest and specifically to include information with respect to—

(1) The production of motor vehicles and motor vehicle parts in the United States and Canada,

(2) The retail prices of motor vehicles and motor vehicle parts in the United States and Canada,

(3) Employment in the motor vehicle industry and motor vehicle parts industry in the United States and Canada, and

(4) United States and Canadian trade in motor vehicles and motor vehicle parts, particularly trade between the United States and Canada.

The House recedes with a technical amendment. With respect to the language quoted above from the second sentence of section 502 of the bill, it should be noted that the effect of such language (insofar as it relates to section 202 of the bill) is modified by the conference action on Senate amendment No. 1.

Amendment No. 11: This amendment adds a new section 503 to the bill which provides that nothing contained in the bill shall be construed to affect or modify the provisions of the Anti-Dumping Act, 1921, or of the antitrust laws of the United States. The House recedes.

Amendment No. 12: This amendment adds a new title VI to the bill. The new title eliminates the \$10,000 ceiling on appropriations for the Joint Committee on Reduction of Nonessential Federal Expenditures. Under the amendment there are authorized to be appropriated such sums as may be necessary to carry out the purposes for which the

joint committee was created. The House recedes.

W. D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
JOHN W. BYRNES,
THOMAS B. CURTIS,
JAMES UTT,

Managers on the Part of the House.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until midnight tonight to file a report on S. 2118.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PERSONAL EXPLANATION

Mr. WILLIS. Mr. Speaker, on rollcall No. 342 which was a motion to recommit H.R. 10281, and on rollcall No. 343, which was a motion on final passage of the same bill, I was unavoidably detained in committee.

I would like to announce that had I been present I would have voted "aye" on both votes.

FOREIGN ASSISTANCE APPROPRIATIONS FOR 1966

Mr. PASSMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 10871) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. SHRIVER. Mr. Speaker, reserving the right to object, I do so for the reason of notifying the Members that it is our intention at the proper time to make a motion to recommit the conference report back to the conference committee.

Mr. Speaker, Members will probably remember that we had in the bill as the appropriation bill on foreign aid passed this body a short time ago, very strong language relative to shipping to North Vietnam. This language has been changed by the conference committee in connection with the language that the House put in the bill as it passed this body known as the "Rooney of New York amendment."

It is our intention at the proper time to offer a motion to recommit based upon this change.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 29, 1965.)

The SPEAKER pro tempore (Mr. Boggs). The gentleman from Louisiana [Mr. PASSMAN] is recognized for 1 hour.

Mr. PASSMAN. Mr. Speaker, I hope the House will approve the conference report and I hope we can say something during our deliberations that will convince the Members that it is in the best interest of our country at this time that this conference report not be recommended.

Mr. Speaker, I ask unanimous consent to include in my remarks a table comprising the conference bill with the estimates and other related matter.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. PASSMAN. Mr. Speaker, I want to assure you and my very able, sincere, and devoted chairman of the Committee on Appropriations, and each one of his subcommittee chairmen, that when any bureaucrat from downtown comes to me with regard to a matter pertaining to legislation under the jurisdiction of the chairman of another subcommittee, I shall in the future, as I have in the past, ask him: "Have you discussed the matter with the chairman of the subcommittee that handles the legislation?"

May I say that arrogance knows no bounds, and if some of the bureaucrats in the AID—I am being charitable—intentionally ignore the chairman of a subcommittee handling legislation, they may eventually extend the same treatment to the chairman of the full committee, and maybe go up through the ranks to the top.

When I brought the foreign assistance appropriation bill to the floor of the House a few weeks ago, I stated that even though it was one of the fattest—if not the fattest—foreign aid bill ever presented to the Congress, when all segments from the 15 bills are put together, if I were to have the privilege of handling the bill, I would be honorbound to assume the responsibility of defending it. I meant what I said—and I said what I meant.

I shall not use any more time than necessary, but honor demands that I make restitution when it is proper so to do. So, let me correct the record on two important points:

The very able and distinguished gentleman from Michigan, the Honorable CHARLES E. CHAMBERLAIN, came to me several days before the foreign aid ap-

propriations bill came to the floor of the House for consideration and stated that he had worked out an important amendment which he intended to offer, with respect to our allies shipping strategic materials to North Vietnam. I commended him for his wisdom and patriotism in putting together such a clarifying and positive amendment.

Subsequently, another distinguished Member of this body, the gentleman from New York [Mr. ROONEY], offered a similar amendment, which was adopted. Equal commendations are due both of these gentlemen, and honor prompts me to acknowledge on this floor the discussion I had with the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. Speaker, I believe that my record of handling the foreign aid appropriation bill for many years would indicate that I know something about the legislation. Even though my personal views certainly differ from those of many of my colleagues, it has been my practice to lean over backward to be fair. Doubtless our distinguished Speaker is familiar with the fact that I will usually deliver more than I promise.

When we were discussing the foreign aid appropriation bill several weeks ago, I inadvertently made a statement that certainly needs an explanation, and there is no better time to correct the record than now. So may I set the record straight:

The distinguished, able, and dedicated Member from Kansas, the minority chairman of the Foreign Operations Subcommittee on Appropriations, the Honorable GARNER E. SHRIVER, stated to me in advance of the markup of the bill that he would offer an amendment to reduce the bill substantially. But, the parliamentary procedure that we followed in marking up the bill just about skunked the chairman as well as the distinguished Member from Kansas. And, a majority of the members of the subcommittee reported the bill to the full committee, and it was later passed by the House as marked up by the subcommittee.

In the intervening time between the markup of the bill and action by the full committee, I called the distinguished Member from Kansas and asked him, as a very special favor to me, not to offer any amendments in the full committee to further reduce the recommendations made by the subcommittee.

Suffice it to say, he did not offer any amendments, but I later learned that the amendments he had in mind were subsequently offered by the distinguished gentleman from Ohio [Mr. BOW] in his motion to recommit the bill. In opposing the amendments offered by the gentleman from Ohio [Mr. BOW], I stated that I had never heard his recommended figure before. That statement was true, but it was simply because of the fact that the gentleman from Kansas, who is charitable, Christian, and understanding, did not offer the amendment in the full

committee. And, I must say, in my opinion, it was because I asked him not to.

With my apologies properly recorded, may I explain briefly the conference report?

Mr. Speaker, I have never believed in shadow-boxing. To indicate or imply in any way that under the provisions of the conference report before you that certain items in the bill meet the full administration request, while others have been reduced, would be untrue. Because the administration will be handed only an appropriation bill and they can vacate all projects in a country and substitute a new set for a new country, as this program is completely on an illustrative basis.

In most accounts, they can transfer in and out to offset any reduction that we have made in other accounts. If you claim that supporting assistance is funded in fully—language-wise, yes—legally-wise, no. They can transfer out of the account into other accounts, and around we go.

May I also say that my efforts in behalf of the American taxpayer have always been to reduce the overall money request rather than just certain items because of the fact that the program justifications are submitted on an illustrative basis.

By the same token, I have, almost without exception, steered clear of policywriting amendments to the foreign operations subcommittee appropriation bill because of the obvious fact that the members of the Committee on Appropriations are not in possession of all the pertinent information possessed by the executive branch.

Mr. Speaker, most conferences, especially in the closing days of a long, hard session, must, of necessity, it would appear, be rush-up, rush-on types of conferences. Many times Members are not given an opportunity to study in detail modifications suggested by the executive branch.

On yesterday, in considering the modification of the amendment adopted unanimously by this body dealing with our allies shipping to North Vietnam, and subsequently changed by the other body, and later modified in the conference at executive branch request, the modified language went to another member of the subcommittee, and not to the chairman. However, in conference I reserved and did not vote for the modified, recommended executive branch amendment. Since then, I have had an opportunity to study in detail the modified language recommended by the executive branch to the conference and explained by another subcommittee member, not by myself, and I now find that for reasons we cannot discuss in detail on the floor without violating what is termed "secret" information, I hope the House will adopt the conference report. Keep in mind that we are dealing with a policy matter and, by precedent, a matter prop-

erly under the jurisdiction of the President.

Suffice to say, had the executive branch not waited until the last minute to suggest needed policy language changes between the versions of the two branches of the Congress, we would not be in this dilemma now. I promised them that I would give complete consideration to the recommendations of the executive branch.

But I was only contacted one time, and I never received a copy of their recommendation at that time. This is no indictment of the other able members of this committee.

I should mention that this is a much better bill than most Members would expect. The other branch of the Congress reduced the bill \$142 million.

The conference bill is almost a split between the two bills. It is \$67 million below the House bill and \$75 million above the Senate bill. It is the best compromise we could get.

I believe the House would like to be reminded again of the House limitation against section 205 of the authorization bill, which would have permitted the executive branch to transfer funds out of the development credits appropriation, sometimes referred to as loans by the executive branch, into the International Development Association and other multilateral agencies. We have crossed that bridge before. This time, as in previous years, if I recall correctly, the committee—with one or two exceptions, I had better add—demanded that the language which would permit a transfer of not to exceed 15 percent of the development loan appropriation into the International Development Association be stricken from the bill. The other body agreed with our position.

I believe this is a good conference report so far as good conference reports go on the foreign aid appropriation bill, and I hope that in this instance, concerning our disagreement over North Vietnam, we will yield to the judgment of the Executive, because we are dealing with a policy matter. I am assured by the Executive that in the future each member of the conference committee will receive a copy of any recommended modifications. They have also assured me that it was not by design or purpose that a copy of their proposed language did not come to us long enough in advance so that we could study it in detail.

I want to say, at the expense of being repetitious, that there are good and sufficient reasons why this bill should not be recommitted. We are dealing with some matters that are "top secret" and we cannot reveal them on this floor, so I hope Members will follow the recommendations of a majority of the members of the conference and not recommit the bill.

The following data relate to the conference bill and other pertinent data relating to the foreign aid bill:

Foreign assistance and related agencies appropriation bill, 1966

TITLE I—FOREIGN ASSISTANCE

Item	1965 appropriations	1966 budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—			
						1965 appropriation	1966 budget estimates	House	Senate
FUNDS APPROPRIATED TO THE PRESIDENT									
MUTUAL DEFENSE AND DEVELOPMENT									
ECONOMIC ASSISTANCE									
Technical cooperation and development grants	\$202,071,000	\$219,000,000	\$202,355,000	\$182,355,000	\$202,355,000	+\$284,000	-\$16,645,000		+\$20,000,000
American schools and hospitals abroad	16,800,000	7,000,000	7,000,000	7,000,000	7,000,000	-9,800,000			
Surveys of investment opportunities	1,600,000					-1,600,000			
International organizations and programs	134,272,400	145,555,000	144,755,000	134,755,000	144,755,000	+10,482,600	-800,000		+10,000,000
Supporting assistance	401,000,000	449,200,000	369,200,000	349,200,000	369,200,000	-31,800,000	-80,000,000		+20,000,000
Contingency fund, general	99,200,000	50,000,000	50,000,000	50,000,000	50,000,000	-49,200,000			
Contingency fund, south-east Asia			89,000,000	89,000,000	89,000,000	+89,000,000	+89,000,000		
Alliance for Progress:									
Technical cooperation and development grants	84,700,000	85,000,000	75,000,000	75,000,000	75,000,000	-9,700,000	-10,000,000		
Development loans	425,000,000	495,125,000	445,125,000	435,125,000	435,125,000	+10,125,000	-60,000,000	-\$10,000,000	
Development loans	773,727,600	780,250,000	675,225,000	593,225,000	618,225,000	-155,502,600	-162,025,000	-57,000,000	+25,000,000
Administrative expenses, AID	53,600,000	55,240,000	54,240,000	54,240,000	54,240,000	+640,000	-1,000,000		
Administrative expenses, State	3,029,000	3,100,000	3,100,000	3,100,000	3,100,000	+71,000			
Subtotal, economic assistance	2,195,000,000	2,289,470,000	2,115,000,000	1,973,000,000	2,048,000,000	-147,000,000	-241,470,000	-67,000,000	+75,000,000
MILITARY ASSISTANCE									
Military assistance	1,055,000,000	1,170,000,000	1,170,000,000	1,170,000,000	1,170,000,000	+115,000,000			
Limitation on administrative expenses	(24,000,000)	(23,500,000)	(23,500,000)	(23,500,000)	(23,500,000)	(-500,000)			
Total, title I, foreign assistance	3,250,000,000	3,459,470,000	3,285,000,000	3,143,000,000	3,218,000,000	-32,000,000	-241,470,000	-67,000,000	+75,000,000

TITLE II—FOREIGN ASSISTANCE (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT									
Peace Corps	\$87,100,000	\$115,000,000	\$102,000,000	\$102,000,000	\$102,000,000	+\$14,900,000	-\$13,000,000		
Limitation on administrative expenses	(22,708,000)	(24,100,000)	(24,100,000)	(24,100,000)	(24,100,000)	(+1,392,000)			
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS									
Ryukyu Islands, Army, administration	14,441,000	14,733,000	14,733,000	14,733,000	14,733,000	+292,000			
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Assistance to refugees in the United States	32,211,000	32,265,000	32,265,000	30,000,000	30,000,000	-2,211,000	-2,265,000	-\$2,265,000	
DEPARTMENT OF STATE									
Migration and refugee assistance	8,200,000	7,575,000	7,575,000	7,575,000	7,575,000	-625,000			
FUNDS APPROPRIATED TO THE PRESIDENT									
Investment in Inter-American Development Bank	455,880,000	455,880,000	455,880,000	455,880,000	455,880,000				
Subscription to the International Development Association	61,656,000	104,000,000	104,000,000	104,000,000	104,000,000	+42,344,000			
Total, title II, foreign assistance (other)	659,488,000	729,453,000	716,453,000	714,188,000	714,188,000	+54,700,000	-15,265,000	-2,265,000	

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Limitation on operating expenses	(\$1,350,060,000)	(\$1,186,120,000)	(\$1,186,120,000)	(\$1,186,120,000)	(\$1,186,120,000)	(-\$163,940,000)			
Limitation on administrative expenses	(3,915,000)	(4,052,000)	(4,052,000)	(4,052,000)	(4,052,000)	(+137,000)			
Total, title III, Export-Import Bank	(1,353,975,000)	(1,190,172,000)	(1,190,172,000)	(1,190,172,000)	(1,190,172,000)	(-163,803,000)			
Grand total, all titles	3,909,488,000	4,188,923,000	4,001,453,000	3,857,188,000	3,932,188,000	+22,700,000	-\$256,735,000	-\$69,265,000	+\$75,000,000

Total mutual security program regular annual appropriations—Economic and military assistance, 10 years

Fiscal year	Budget estimate	Appropriation	Reduction below estimate	Percentage below budget estimate
1956.....	\$3,266,641,750	\$2,703,341,750	—\$563,300,000	17.24
1957.....	4,859,975,000	3,766,570,000	—1,093,405,000	22.50
1958.....	3,386,860,000	2,768,760,000	—618,100,000	18.25
1959.....	3,950,092,500	3,298,092,500	—652,000,000	16.51
1960.....	4,429,995,000	3,225,813,000	—1,204,182,000	27.18
1961.....	4,275,000,000	3,716,350,000	—558,650,000	13.07
1962.....	4,775,500,000	3,914,600,000	—860,900,000	18.03
1963.....	4,961,300,000	3,928,900,000	—1,032,400,000	20.81
1964.....	4,525,325,000	3,000,000,000	—1,525,325,000	33.70
1965.....	3,516,700,000	3,250,000,000	—266,700,000	7.58
Total.....	41,947,389,250	33,572,427,250	—8,374,962,000	19.96

Foreign Assistance Act unobligated funds, title I

As of:	Amount
June 30, 1955.....	\$250,900,000
June 30, 1956.....	401,400,000
June 30, 1957.....	814,400,000
June 30, 1958.....	88,400,000
June 30, 1959.....	94,400,000
June 30, 1960.....	127,000,000
June 30, 1961.....	758,000,000
June 30, 1962.....	163,400,000
June 30, 1963.....	419,100,000
June 30, 1964.....	59,600,000
June 30, 1965.....	158,400,000

Total amount unobligated funds, 11 years..... 3,335,000,000

Average annual unobligated funds, 11 years..... 303,181,818

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 1, 1965.

To Whom It May Concern:

A great American one said: "It is true that you may fool all of the people some of the time; you can even fool some of the people all of the time; but you can't fool all of the people all of the time." This statement was made before America started the foreign giveaway program.

Requests for new foreign aid funds so far this year amount to \$7,512,467,000. I am attaching, hereto, a list showing the 15 separate requests for foreign aid funds. Only the first item on the attached list is ever mentioned publicly as being foreign aid. The other 14 items are just as much foreign aid as your hand is a part of your body.

On June 30, 1965, unliquidated funds from prior years' authority to the credit of these 15 items amounted to \$10,605,738,000. If the Congress approves the full additional \$7,512,467,000 that the administration has requested in new funds this year, then there will be a staggering total available for disbursement in the amount of \$18,118,205,000.

The \$7,512,467,000 requested in new funds this year does not include an appropriation of \$1,035 million tacked on to a recent appropriation bill for the International Monetary Fund so that it would apply to the fiscal year which ended on June 30, 1965, rather than to the new fiscal year. Neither does it include the \$4 billion annual interest we are paying on the money we have previously borrowed to give away.

How any administration could dissipate America's wealth on foreign aid as we are doing is beyond the realm of sane, human understanding. I hope that the circulation of the startling information contained in this letter will be broad enough to cause the American people to demand an explanation as to why only one of the 15 requests is ever mentioned publicly as foreign aid.

Sincerely yours,

OTTO E. PASSMAN,
Chairman, Foreign Operations Subcommittee on Appropriations.

Enclosure.

New Foreign Aid Funds Requested So Far in 1965—July 1, 1965

[In thousands]

1. Foreign assistance requests, as amended (mutual security).....	\$3,459,470
2. Receipts and recoveries from previous credits.....	209,770
3. Military Assistance Advisory Group.....	76,000
4. Export-Import Bank (long-term credits).....	900,000
5. Public Law 480 (agricultural commodities).....	1,658,000
6. Inter-American Development Bank (Latin America)....	705,880
7. International Development Association (IDA).....	104,000
8. Peace Corps.....	115,000
9. Contributions to international organizations.....	96,953
10. Permanent construction overseas (military).....	85,986
11. Educational (foreign and other students).....	69,200
12. Ryukyu Islands.....	14,733
13. Migrants and refugees.....	7,575
14. Atomic Energy Commission (overseas).....	5,900
15. Inter-American Highway (Latin America).....	4,000

Total new foreign aid requests, first 6 months of 1965..... 7,512,467

OTTO E. PASSMAN,
Chairman, Foreign Operations
Subcommittee on Appropriations.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks and to include extraneous matter and tables.)

Mr. PASSMAN. Mr. Speaker, I yield 12 minutes to the distinguished gentleman from Kansas [Mr. SHRIVER].

Mr. SHRIVER. Mr. Speaker, I thank the chairman for yielding that period of time. In turn, I shall shortly yield to the gentleman from Michigan, who presented such a forceful argument on the floor of the House at the time the Foreign Aid Appropriation bill was before us a few weeks ago.

That bill is behind us. The only issue we are in disagreement, between the two bodies, is the issue on the use of our aid funds for countries which continue to trade with North Vietnam.

Every day we read of American casualties which have occurred in southeast Asia. Just this morning I read a long list of our American boys who lost their lives in this war in which we are involved—a war in which our American boys are helping the South Vietnamese to halt the advance of communism.

One constitutional power still possessed by this House is that of appropriating funds collected from the taxpayers of the Nation. Those we represent I am sure do not approve of the use of tax dollars to support the enemy. Each of us knows this very well. When this Congress loses its power over the purse, then we, as a legislative body, are through. We have betrayed our Founding Fathers who gave us the Constitution and the framework for the greatest form of government and the greatest country in the world. The House strongly supported the Rooney amendment. The gentleman from Michigan [Mr. CHAMBERLAIN] discussed it at length a few weeks ago when we had this bill up before us, so I am going at this time to yield 8 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

(Mr. CHAMBERLAIN asked and was given permission to revise and extend his remarks.)

Mr. CHAMBERLAIN. Mr. Speaker, I would first like to thank my colleague for yielding to me. As has been said here, I have been long disturbed about the volume of free world trade with North Vietnam. I want to take just a moment to outline to my colleagues why I am disturbed about it and the extent of this shipping. Last year, 1964, there were 401 ships from free world nations which carried cargoes to North Vietnam. So far to date there are 88 ships this year that have gone to North Vietnam with cargoes to help keep this war going. Now, these are figures that are from published commercial sources. If any of my colleagues are interested in the classified figures and are not disturbed that 88 ships went to North Vietnam, then come and look at this piece of paper here which is classified secret and you can see how many ships of the free world flags have carried their cargoes to North Vietnam.

I hope my colleagues will listen to what I have to say, because this is something that the American people should know and something they have not been told.

Of all the ships going to North Vietnam, more free world ships are going there than all of the Communist bloc ships combined. Think of that. More free world ships than Communist ships are going to North Vietnam. The conference report we had here the other day said 45 percent of all the imports to North Vietnam were on free world ships and 85 percent of their exports were on free world vessels.

Now just a big about the background of the situation that we find ourselves in. We in this House put a prohibition in the authorization bill against aid to any country permitting its ships to trade with North Vietnam. In their wisdom the other body deleted this amendment. Then came the appropriation bill the other day. In section 107 (a) and (b) wherein we very properly said that no aid shall be given to any country that permits its ships to carry goods to Cuba, in those two sections we inserted a simple amendment, sponsored by the gentleman from New York [Mr. ROONEY], and if he had not done so I had announced my intention to do so, which had only

four little words, no aid to Cuba "or to Vietnam." That was the amendment. My colleagues of the House, that amendment was accepted in this very Chamber just a few days ago without a single word of dissent. No one said no. A voice was not raised against it. The other body deleted this amendment and said in essence it is the "sense of Congress" that we should not give any aid to any country that does not try to stop shipping to North Vietnam. The conferees are now substituting other language.

The language on aid to Vietnam has been accepted, so far as economic assistance is concerned, but when it comes to strategic assistance to North Vietnam we are saying that we shall treat less harshly North Vietnam shipping than we do shipping to Cuba. The issue is very simple. Are we going to stand fast on this one amendment with respect to Vietnam, similar to the Cuban situation? What we are asking is that when it comes to shipping to the enemy we give the same identical treatment to North Vietnam as we are giving to Cuba. Why should we create a double standard here? This would give the President authority to aid countries that are in fact giving military aid to North Vietnam if he finds it in the national interest.

Why he would want this is beyond me. I cannot conceive a possible situation where free world ships would be carrying military assistance, strategic assistance to North Vietnam and have the President say that it is in our national interest to give that country aid. I cannot conceive of it, but still that is the situation we are faced with. This makes Congress look ridiculous.

Why should we be so timid? It is time we got tough and let the world know that we are serious about Vietnam, that we are going to do everything we can to see that this alarming volume of shipping to North Vietnam is stopped.

I would like to go further than we are going today. I would like to close the ports of this country to every one of these ships that sail to North Vietnam many of which, after going there, have called at our own U.S. ports. This is another urgent matter that we should consider.

Mr. Speaker, I repeat, to accept this conference report would create a double standard. We have a flat prohibition against aid to any country trading with Cuba. But we are going to say here that we intend something less than a flat prohibition against aid to countries that are sending ships to North Vietnam.

Are we not as concerned about trade with North Vietnam as we are with trade with Cuba? The President has told us that this is real war. I tell you that it is real war. I have been there; I know. If we had a declaration of war today, can you imagine the President sending aid to those who are shipping goods to our enemy? In the last war, would we have aided those trading with Japan or Germany? How ridiculous can this situation get? We now have some 130,000 troops in Vietnam. They are pouring over there so fast that you cannot keep track of the total number. Our boys are in contact with the enemy in the air, on land, and on the sea. Every day our

casualties are growing. Our forces are doing what they can do to stop the enemy. We are trying to interdict the supply lines. Our planes are flying to cut them off. Just today two Air Force pilots were shot down trying to take out a bridge. Our ships are trying to stop supplies to the enemy by sea.

I say that we should make certain that none of our tax money goes to help those who are helping to supply the enemy.

Mr. Speaker, I have not had the time I would like to discuss this matter, but the issue is very simple. Are we going to have a dual standard as far as limiting aid to countries trading with Cuba and Vietnam?

The language we are using is identical to the prohibition in the Cuba section. It simply says that we shall do the same thing with reference to Vietnam as we have done to Cuba.

This amendment was accepted without a dissenting voice in the House just a few days ago. We cannot create a double standard. The American people will never understand why we have taken action here that would make it possible to give foreign aid money under any circumstances to countries that permit their ships to aid North Vietnam. I respectfully urge that we insist upon the House amendment.

The SPEAKER pro tempore (Mr. Boggs). The Chair will advise the gentleman from Kansas [Mr. SHRIVER] that he has 2 minutes remaining.

Mr. PASSMAN. Mr. Speaker, I desire to yield to the distinguished gentleman 5 additional minutes.

The SPEAKER pro tempore. The gentleman from Kansas is recognized for 5 additional minutes.

Mr. SHRIVER. Mr. Speaker, I would prefer that the gentleman from Louisiana on the other side yield some time at this time.

Mr. PASSMAN. Mr. Speaker, I yield 8 minutes to the distinguished gentleman from New York [Mr. ROONEY].

(Mr. ROONEY of New York asked and was given permission to revise and extend his remarks.)

Mr. ROONEY of New York. Mr. Speaker, I strenuously urge the adoption of this conference report and request that it not be recommitted.

Mr. Speaker, this is an appropriations bill carrying over \$3 billion. This bill must be acted upon today so that the other body may act upon it expeditiously and that it does not get hung up with the proceedings in the other body which begin on Monday next with regard to repeal of section 14(b) of the Taft-Hartley Act.

Mr. Speaker, I feel that we have a good conference report pending before this body. It represents practically an even split between the House figures and the figures of the other body with regard to the amount of money appropriated.

Apparently, the only real controversy is over the amendment that I offered at the time this bill was under consideration here in the House. It was then that I proposed that we add the words "or to North Vietnam" to section 107(a) of the bill, as well as to section 107(b) of the bill. My amendment prevailed.

When this bill went to the other body, the other body diluted my amendment.

Now, Mr. Speaker, the House conferees did succeed in having the other body recede on amendment No. 8, which was my amendment added to section 107(b), and in return, the House conferees receded from amendment No. 7, which was my amendment to 107(a), and in addition to that both sides added tightening language which is now known as section 116 of the bill. So today this language before the House is stronger than the language agreed to by the House in this year's authorization bill and it is far stronger than the provision contained in the Senate appropriations bill. It strengthens the President's hands but it does not tie them.

The only difference between the conference provision and the amendment originally adopted by the House is that the conference provision permits the President to provide assistance to a country if he determines that it would be contrary to the national interest not to provide aid. He must report every such determination to the Congress.

Mr. Speaker, it is folly to prevent the President from taking action necessary to protect our national interests. He has the facts and he has the responsibility to deal with situations and crises around the world, in Western Europe and in Greece, as well as Vietnam.

The conference provision pending before the House permits the President to exercise his responsibility to take action on the basis of the facts he has at the time of the crisis.

Mr. Speaker, the proposed recommittal motion would make it impossible to provide any military aid in this bill planned for strengthening our NATO ally, Greece.

Mr. Speaker, Greek ships are in the North Vietnam trade, and to get them out of that trade will require a decree by the Greek Government. That Government has only a two-vote margin in its Parliament. As we all know, it has suffered a prolonged Government crisis. I regret to have to say that the Greeks are simply unable at this time to take the steps necessary to end all shipping to North Vietnam.

Adoption of a recommittal motion would make mandatory a cutoff of military aid to Greece thus crippling her defense against the Communist forces on her borders, and ending her strong participation in NATO.

I submit that a vote to recommit this conference report is a vote against our Greek allies and a direct blow against the strength of NATO.

United States policy is already effective in reducing free world shipping to North Vietnam. In July and August of this year, approximately 33 free world ships called at North Vietnam ports.

In the same period last year 64 ships called at North Vietnam ports, so that in 1 year such shipping was cut almost in half.

Three of the four countries which would be affected by the Rooney amendment are taking action to cooperate with the United States on this problem. Japan has already got its ships out of the trade. The one exception is Greece

which, as I have indicated, is unable to cooperate at the present time.

Now, Mr. Speaker, I would like to give some facts with regard to free world shipping in connection with North Vietnam and once again I point out that the other body has wholly receded on amendment No. 8, which concerns economic aid to countries which were dealing in economic aid with North Vietnam. As to this part of the so-called Rooney amendment, we had a complete surrender on the part of the other body. This pending conference report should be an attractive proposition to anyone who has to sit at a table to bargain with the other body at a conference. It is a good conference report that we are submitting to the House for approval today.

As the result of U.S. efforts and the fact that North Vietnam is a zone of hostilities, free world shipping to North Vietnam has declined substantially. In July and August of 1965, approximately 33 free world ships, many of them in ballast, called at North Vietnam ports. During the same months in 1964, 64 free world ships were in the North Vietnam trade.

With one exception, aid-recipient countries are actively cooperating with the United States. In the past 6 months, about 35 ships from aid-recipient countries—Greece, Norway, Liberia, and Cyprus called at North Vietnam ports and some of these ships were under long-term charter to Communist countries.

A total of 38 Japanese ships called at North Vietnam ports in January, February, and March, but since then no Japanese ships have been in the trade.

Greek ships accounted for about half of the approximately 35 ships under the registry of aid-recipient countries. Because of a prolonged governmental crisis, as I previously indicated, Greece was unable at that time to take the action necessary to control its ships in the North Vietnam trade.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROONEY of New York. I yield to the distinguished gentleman from Iowa [Mr. Gross].

Mr. GROSS. The gentleman indicates that if this conference report is recommitted, the other body will hang it on the hook or otherwise refuse to deal with it. Does the gentleman mean to say the other body wants to explain, if the House approves recommitment, to the men who are being shot to pieces over in Vietnam, that shipping from foreign countries, by our so-called friends, is the means by which they are being killed and maimed?

Mr. ROONEY of New York. Does the gentleman from Iowa understand that Members of the other body who were managers on the part of the Senate in this conference insisted upon their language—and the gentleman from Kansas will bear me out on this because I brought it up a number of times during the course of the conference—and insisted on their position. We came out of the conference with the best that we could get insofar as compromise was concerned.

To repeat, I had two amendments, one to section 107(a) and one to section

107(b). The Senate receded completely on the amendment to 107(b); the House conferees receded on 107(a) with the following additional language, which I think I should read to the House at this point:

SEC. 116. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country that sells, furnishes, or permits any ships under its registry to carry to North Vietnam any of the items mentioned in subsection 107(a) of this act unless the President determines that the withholding of such assistance would be contrary to the national interest of the United States and reports such determination to the Congress.

I respectfully submit that I have never seen a conference report on an appropriations bill come back to this House that was any clearer or more succinct than the conference report now pending before the House.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. PASSMAN. Mr. Speaker, I yield 3 additional minutes to the gentleman from New York.

Mr. ROONEY of New York. Mr. Speaker, I yield to the gentleman from Louisiana such time as he may require.

Mr. PASSMAN. I do not believe that we should imply that the President would intentionally do anything which would cause the loss of one single American life in South Vietnam. I certainly cannot be called a Great Society enthusiast. But I do not believe that we should have the record indicating that the President of the United States would do anything which would cause the loss of a single life in South Vietnam.

Mr. ROONEY of New York. Mr. Speaker, will the distinguished gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. ROONEY of New York. I should like to ask the gentleman at this point if it is not the fact that each and every Member of the conference representing the other body submitted the same sort of statement at the conference table: that he did not want any American boy killed with ammunition brought into South Vietnam on such ships?

Mr. PASSMAN. That is true. I would like to take a minute now and summarize briefly. The language contained in this conference report is stronger than the language contained in the foreign assistance authorization bill for 1965 that this body passed not too long ago. I do not recall any Member offering an amendment at that time to recommit that bill to insist on stronger language.

Even though we had to compromise the House language in this bill I reserved on the amendment agreed to so I could study the effect of it in more detail, and I feel I am better posted now.

Let me repeat that this conference report contains stronger language than what was contained in the authorization legislation. It also contains stronger language than what was contained in the Senate bill. It is not as strong as could be but all legislation is a result of compromise. I repeat that this is

the Appropriations Committee and not the policy writing committee, and I defer to the President because I know he is trying to solve these problems.

Mr. CHAMBERLAIN. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. CHAMBERLAIN. Is the language in this bill as strong as it is with respect to the prohibition of shipping to Cuba?

Mr. PASSMAN. Certainly it is not as strong.

Mr. CHAMBERLAIN. I thank the gentleman.

Mr. PASSMAN. It is not the language I would desire. I am not the President and I do not have to deal with these eternal world problems and every assistance we can render him makes his job that much easier.

Mr. SHRIVER. Mr. Speaker, I believe I have 7 minutes remaining.

I yield to the distinguished gentleman from Ohio [Mr. Bow] for 5 minutes.

Mr. BOW. Mr. Speaker, it is not top secret that American boys in Vietnam are dying. We cannot legislate on the basis of top secret or be convinced because of top secret. I do not know what that could be. But I repeat that it is not top secret that ships of countries receiving our aid are going into North Vietnam, and it is the possibility—and I am sure the probability—that some of those ships are carrying the sinews of war which are bringing about the casualty lists that we are reading every day.

I should like to know why we should treat North Vietnam any better than we treat Cuba.

The gentleman says this is an appropriation bill and not a legislative bill, but in the appropriation bill last year this committee did not hesitate to put in the requirement that these shipments should not be made to Cuba so long as governed by the Castro regime. This is the precedent. This is the precedent for this House to take this action.

All that was done this year, in addition to the word "Castro regime," was the addition of the words "or to North Vietnam."

Are Members going to vote today to give better treatment to North Vietnam than is given to Cuba?

Mr. GALLAGHER. Mr. Speaker, will the gentleman yield?

Mr. BOW. I do not have sufficient time, but I will yield to the gentleman, if he will make it brief, please.

Mr. GALLAGHER. I will make it very brief, in answer to the question concerning the statement just made.

Greece, in the Cuba situation, issued the necessary decrees to keep Greek ships out of Cuba at that time. When the government crisis is resolved presently in Greece—

Mr. BOW. I do not yield further, because I am concerned about the crisis of our own men in North Vietnam and in South Vietnam.

Mr. GALLAGHER. I am, too.

Mr. BOW. I do not yield further to the gentleman, if he is more interested in a crisis in Greece than a crisis in South Vietnam.

I am concerned about our country and about our men who are fighting in South Vietnam.

How much aid have we given to Greece over the years? It has been millions and hundreds of millions of dollars. Is it too much to ask them now not to ship further the sinews of war which are going to kill American men? Are we going to say to them, "It is all right, so far as Cuba is concerned, to cut them off, but let us give preferential treatment to North Vietnam?"

That is what we are being asked to do here today.

My good friend from New York, with whom I have served so long and so closely on his subcommittee, says we have to do this today because 14(b) is going to come up over in the Senate. That is almost as ridiculous, in my estimation, as is the question of the Greek situation.

Mr. ROONEY of New York. Mr. Speaker, will my distinguished friend from Ohio yield?

Mr. BOW. I am always glad to yield to my distinguished friend from New York.

Mr. ROONEY of New York. I am sure the gentleman will agree with me that that is one of the facts of life.

Mr. BOW. It is one of the things the gentleman is very good at doing, providing a little smokescreen once in a while when the battle gets rough and the guns are being fired.

I say to the gentleman that we have a continuing resolution, so if a debate on 14(b) starts up they will be able to go ahead just the same under the continuing resolution.

I hope we will not have any more continuing resolutions. We have one now up to October 15. I believe the debate on 14(b) will be over by October 15 and we will be able to get this bill through.

Mr. ROONEY of New York. Will my distinguished friend yield to me once again, briefly.

Mr. BOW. Of course.

Mr. ROONEY of New York. It has just occurred to me, as the result of the gentleman's remarks, that the adoption of this very conference report on the foreign aid appropriations bill has always been a bellwether of sine die adjournment.

Mr. BOW. I say to my friend from New York, I will stay here until the beginning of next session of Congress if I can save the life of one American boy who may be destroyed by shipments into North Vietnam. I am not going home for that purpose.

Mr. ROONEY of New York. That is commendable.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. PASSMAN. Mr. Speaker, I yield the gentleman from Ohio 2 additional minutes, and ask the gentleman if he will yield.

Mr. BOW. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I should like to ask the gentleman if it is not true that he would stay here the rest of this year if he could just keep one American boy from from being injured?

Mr. BOW. I would.

Mr. PASSMAN. I am willing to defer to the President, however, in this matter because I believe he feels the same way.

It seems to me that this problem should have been resolved when we were considering the authorization bill conference report. That, in my opinion, is the place for the Congress to legislate. We should not have to legislate on an appropriation bill.

Mr. BOW. The gentleman's own bill of last year, a copy of which I hold in my hand, had Cuba in it, and we had the same President then we have today.

I cannot believe under any circumstances that it is necessary to put the President in here. I think the Congress has this responsibility and this right, and we should do it.

Mr. PASSMAN. I am not quarreling with the gentleman, but I think it is the only reasonable compromise that we can arrive at on this highly controversial foreign policy matter.

Mr. BOW. Mr. Speaker, I now yield to the gentleman from Michigan [Mr. GERALD R. FORD].

Mr. GERALD R. FORD. Mr. Speaker, it seems to me when we considered this appropriation bill initially we fully recognized that the basic authorization bill was inadequate to deal with the problem. So we took our own steps to include North Vietnam in sections 107 (a) and (b). In other words, we decided that we would put Ho Chi Minh on the same level with Castro. They are both of the same ilk. Now, when the bill comes back in the form of a conference report we find that we are differentiating between Castro and Ho Chi Minh. I do not understand that. It seems to me that if we were not strong enough in the authorization bill, we ought to take the matter in our own hands and remedy the error we made.

The SPEAKER pro tempore. The time of the gentleman from Ohio has again expired.

Mr. SHRIVER. Mr. Speaker, I yield the remaining time to the distinguished minority leader [Mr. GERALD R. FORD].

Mr. GERALD R. FORD. Mr. Speaker, I simply say that we ought to recommit the conference report for the valid reasons which have been given by the gentleman from Michigan [Mr. CHAMBERLAIN], the gentleman from Ohio [Mr. BOW], and the gentleman from Kansas [Mr. SHRIVER]. It seems to me that we make ourselves look ridiculous when we seek to differentiate between Cuba and North Vietnam, between Castro and Ho Chi Minh. This motion gives us in the House of Representatives, and I hope in the other body, an opportunity to work our own will to tell the American people that we will make this decision and will not make any differentiation as between Ho Chi Minh and Mr. Castro.

Mr. Speaker, I yield back the balance of the time.

Mr. SHRIVER. Mr. Speaker, I yield the remaining 30 seconds to the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Speaker, I thank the gentleman for yielding. In this brief time, I would point out that we may be

considering a sugar bill in the next couple of weeks. In view of the statement of the gentleman from Michigan [Mr. CHAMBERLAIN] I would call attention to the fact that some countries who have been trading with North Vietnam will receive valuable U.S. sugar quotas under the provisions of pending sugar legislation.

In addition, there seems to be an effort in some areas of this administration for increasing trade with Russia, including the sale of wheat grown in my State. It seems about time we recognized the enemy, or enemies, in North Vietnam and suspended all trade with any country directly or indirectly responsible for the death of American boys.

Only yesterday, according to news reports, Russian-built, Russian-supplied, and I assume Russian-manned missiles reportedly shot down two more U.S. planes; and if this was not enough, Brezhnev, the Soviet Communist Party chief, warned yesterday of a further deterioration in Soviet-American relations. It seems it is time to face up to the moral issue of trading with the enemy, and in my opinion, we should suspend all trade with Russia or any other country, Communist or non-Communist, who may be aiding and abetting North Vietnamese efforts to defeat us and destroy our young men in South Vietnam.

Let me state again that I strongly believe in providing food for peace but just as strongly deplore providing food for war.

Mr. PASSMAN. Mr. Speaker, may I inquire of the Chair how much time we have left?

The SPEAKER pro tempore (Mr. Boggs). There are 15 minutes remaining. The gentleman from Louisiana has 15 minutes.

Mr. PASSMAN. Mr. Speaker, we want to be fair about a division of this time. I want to yield 5 additional minutes to the gentleman from Kansas [Mr. SHRIVER]. We are not trying to use all the time on this side. We want to yield you as much time as you need.

Mr. SHRIVER. Mr. Speaker, I yield such time as he may require to the gentleman from Missouri [Mr. HALL].

(Mr. HALL asked and was given permission to revise and extend his remarks.)

Mr. HALL. Mr. Speaker, I shall vote for the motion to recommit. It seems to me this is about "where we came in." I well remember when we were shipping scrap iron to Japan before Pearl Harbor and it came "home to roost." I served 7½ years in that war, before, during, and thereafter. The father of my three granddaughters is on active duty in South Vietnam today. Much has been said here today about trusting one man with our foreign policy, in spite of no such statement in the Constitution. I for one would feel better about this if he were not busily engaged in giving away our known and confirmed sovereign rights in the Panama Canal Zone—the one place in the world where we have an uncontested right and on which may rest the firmness of the Platt amendment and even the Monroe Doctrine.

We legislated on the latter last week in this House.

I cannot imagine, in view of section 7 of article I of the Constitution, which gives directly the responsibility to the Congress to set policy respecting the support and training of armies and navies, why we should do other than what we are doing, and that is trying to help the executive branch prosecute effectively a war against invasion by communism around the world. Nor can I understand why we have not "taken out" North Vietnam's only oil storage and refinery at the port of Hanoi on the Coe River. Likewise I fail to understand why the Secretary of Defense emasculates the Reserve organization while failing to order Guard and Reserve members to active duty in a fit of power grab and political pique; in direct and agreed contravention of legislative constitutional prerogative. Yes, Mr. Speaker, I shall vote to recommit and I hope the House will do likewise.

I am certain that every American citizen was shocked by the declaration of the North Vietnam Communists last week that they intend to execute American servicemen captured by them in the future, in utter disregard of the Geneva Convention.

It is already sufficiently shocking that the North Vietnamese have committed murder within the past 2 weeks, executing without trials, two captured American servicemen. They were soldiers, following the orders of superiors. As such, their execution in alleged reprisal for the executions of three Vietcong terrorists, convicted by the South Vietnamese for acts of subversion and espionage, can only be considered an act of wanton murder.

The civilized world should have been as horrified by this declaration of savagery; yet, incredible as it seems, no cry of protest has been raised in the United Nations. Surely, in a world body which is supposed to represent the world conscience, there is no excuse to shut its eyes, bind its mouth, and hold its ears to an act more befitting of the Stone Age than the 20th century.

Brutal as warfare is, there are certain recognized practices—including humane treatment of prisoners, which all civilized nations have observed. Nowhere in recent history, except perhaps the Congo, has there been such an inhuman pronouncement as the one by the Communist Government of North Vietnam. What better indication of the true intentions of the Communist world that not a single Communist nation—whether in the Russian camp or the Chinese camp—has publicly condemned the announcement.

When the United States felt it practical to make use of tear gas, which rendered its Vietcong enemies in tears and ill at their stomachs for a brief period, the hue and cry around the world was deafening. This harmless gas—used by the police forces of many nations—was not in contravention of any article of the Geneva Convention. Yet, the world—our friends as well as our enemies—literally "raised the roof."

But, in the face of wanton murder, where—we must ask—are those voices of condemnation, which felt no compunction about berating the United States? Neither our friends, nor our enemies, have seen fit to voice complaint or protest.

The United Nations sleeps, unwilling to express its conviction, and afraid lest it offend the Communist bloc. I well recall that another world body tried to ignore savagery, when an Ethiopian Emperor pleaded for help against Mussolini's legions. And, failing to react in a moment of crisis, it eventually disintegrated.

Surely, it is apparent now, that every Communist reaction to any issue is based on only one question, Will it advance or retard Communist control over the remaining free world?

The author of "Advise and Consent", Allan Drury, has written another book, "Three Kids in a Cart." It contains the following passage, which I would like to quote:

There has never been any evidence at any hour of the day, except that which we ourselves have blown out of all proportion with our desperate hopes, to indicate that the Communists have ever had any intention of permitting peace to come to the world, or do anything but destroy the free civilization of the West. Each little crumb which has fallen from their table has been hailed as 10 loaves of bread—by us.

Each conciliatory gesture, always made with a devious purpose, has been turned into hopeful signs—by us. And, while we have been busy telling ourselves we saw good faith where good faith never existed, the patient plan of murder and deceit and our ultimate destruction has gone forward, unchanged to the slightest degree by the self-delusions we have desperately clung to.

Surely, the murder of prisoners of war will eliminate any further self-delusions by any American who has accepted the myth of peaceful coexistence.

Surely this is a time to rescue ourselves from apathy, to strengthen our resolve to resist the Communist invader from the North and to serve notice to the Communists and to the other nations of the world that freedom's light will not be snuffed out by acts of terror and wanton murder.

Mr. PASSMAN. Mr. Speaker, I yield such time as he may require to the distinguished majority leader, the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Speaker, I thank the gentleman for yielding; and I shall not take much time.

Mr. Speaker, at least two points ought to be kept in mind in the consideration of this matter. First, what we are asking here is that Members not tie the hands of the President of the United States in administering this program. The President is not going to let one thing happen anywhere that will jeopardize our safety. The President is our Commander in Chief. We trust him with atomic weapons and all the military power of our country. What the President needs is the power to protect the lives of our people. Furthermore, Mr. Speaker, cutting off of aid will not necessarily stop shipments; and that is what we are interested in doing. We are interested in

stopping shipments to North Vietnam by all of our allies. But if we cut off aid to Greece, the private shipping interests in Greece, under the government under which that country operates, could continue to make shipments into North Vietnam. It seems to me that if we give this authority to the President we will enable him to use his good offices to persuade our allies to persuade in turn their private shipping interests to stop these shipments. This is the only way that we can hope to get done what all Members want done.

The President has a great record in this regard. The shipments into North Vietnam from countries friendly to the United States have gone down considerably under the persuasion of the President. The President is doing the job. We must not tie his hands and make it impossible for him to function in the national interest.

Mr. PASSMAN. Mr. Speaker, I yield 2 minutes to the distinguished and able chairman of the Committee on Foreign Affairs [Mr. MORGAN].

(Mr. MORGAN asked and was given permission to revise and extend his remarks.)

Mr. MORGAN. Mr. Speaker, I stand firm behind the statement of the Majority Leader. This is going to be a determination by the President of the United States. I am sure everybody in this Chamber has confidence in our President. He is not going to let any ships go into the ports of North Vietnam carrying material from our allies that are going to destroy the lives of American boys.

I wish that some of the Members who have spoken here about saving the lives of American boys had acted differently 3 weeks ago when we had before us an appropriation to furnish guns and jeeps and ammunition for the boys fighting in South Vietnam by supporting the foreign military assistance part of the foreign aid program. It seems peculiar to me that they can come in here and say, "We want to save lives in South Vietnam," but 3 weeks ago when we had the military assistance program many votes on the minority side were cast in the negative.

This is a determination by your President, who is solely responsible for foreign policy. Let us have confidence in the President of the United States.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I am glad to yield to the gentleman from Michigan.

I am talking about this very bill that we have in conference today.

Mr. GERALD R. FORD. There is some difference between the appropriation bill for the support of our own U.S. Army, Navy, Air Force, and Marines, and this bill. Everybody voted for that bill.

Mr. MORGAN. The gentleman voted for the bill, but many Members who are opposing this section have never supported military assistance.

Mr. GERALD R. FORD. But, just a minute, the gentleman from Pennsylvania is not being clear. The foreign aid appropriation bill does not provide

one bullet or one bit of equipment for any U.S. military personnel.

With reference to the appropriations bill for our own forces, every Member of this House, Democrat and Republican, voted for it. Now, that is the only place in which we supply guns and ammunition for our own troops.

Mr. MORGAN. The gentleman is familiar that a part of the foreign aid military assistance goes to supply the joint effort of the United States forces and the South Vietnamese forces in our fight against Vietcong.

Mr. GERALD R. FORD. The appropriation contained in the foreign aid bill goes to those nations that are allied with us and not our own forces.

Mr. SHRIVER. Mr. Speaker, I yield 2 minutes to the distinguished minority leader, the gentleman from Michigan [Mr. GERALD R. FORD].

(Mr. GERALD R. FORD asked and was given permission to revise and extend his remarks.)

Mr. GERALD R. FORD. Mr. Speaker, I take this time only for the purpose of clarifying what I believe was unfortunately a wrong impression created. Every Member of this House, as I recall it, voted unanimously to support our own military budget for the Departments of the Army, the Navy and the Air Force.

There was some disagreement on the appropriation bill for the foreign aid program. But I know of no amendment that was offered by anyone to make a reduction in the military assistance portion of that appropriation bill. There have been some reservations by some concerning the economic assistance. But if we had the military assistance portion of the foreign aid program isolated so all would have the choice of voting either "yes" or "no" on that, I do not think a single Member of this body on either side of the aisle would oppose that portion of the program.

So, Mr. Speaker, when some Members on both sides of the aisle have voted against the authorization or the appropriation for the foreign aid program, I believe there has been a reflection that they had violent disagreement with the economic assistance rather than the military assistance.

Mr. GALLAGHER. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. Not right now, but I shall yield to the gentleman later if I have time.

Mr. Speaker, in closing I have traditionally and forcefully on almost every occasion favored both the authorization and the appropriation bill for the foreign aid program. I believe in it. I think it is right. But I think it was unfortunate that the implication was raised that some Members—and I do not know which Members the gentleman from Pennsylvania was speaking about—had not voted to support the military assistance for our own forces.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. SHRIVER. Mr. Speaker, I yield 1 additional minute to the minority leader.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Speaker, knowing of the years of service that the gentleman has put in on the Committee on Appropriations and knowing of his great interest in military assistance, I remember the day that the gentleman from Michigan took the floor in favor of increasing the military assistance in the foreign aid bill by \$100 million. The gentleman has been a great defender of the military assistance program. But surely the gentleman from the knowledge he has, having served on the Military Appropriations Subcommittee and on the great Committee on Appropriations and through his years of service on the full Committee on Appropriations fully realizes that every dollar we send into South Vietnam, whether it comes out of our own military appropriations or the military assistance program is a joint endeavor to win this war. So you cannot make a decision here today saying that you do not want to sacrifice the life of one American soldier because in many places in South Vietnam, and the gentleman knows this, in many places in South Vietnam the South Vietnamese army is the army that is guarding our military installation.

Mr. GERALD R. FORD. Let me make this one final comment.

Every ship that goes into a North Vietnamese port whether it is a Soviet bloc ship or a free world ship complicates our military problem in Vietnam. So what this amendment provided in the House bill, and the gentleman from New York was wise to offer it, precluded that. I hope and trust that we will stand firm against this conference report and vote to recommit it.

Mr. SHRIVER. Mr. Speaker, I yield 30 seconds to the gentleman from North Dakota [Mr. ANDREWS].

Mr. ANDREWS of North Dakota. Mr. Speaker, I would like to ask a question of the distinguished chairman of our subcommittee. A moment ago he said during the debate that if the House deletes the Rooney amendment, it would boil down to North Vietnam getting favored treatment over Cuba. This is the thing that bothers me, Mr. Speaker, and bothers me deeply. Do you feel we are less at war with North Vietnam than we are with Cuba? If not, how can you justify deleting sanctions against shipping to North Vietnam when we have taken them as regards Cuba?

Mr. PASSMAN. The gentleman has made a statement of fact. I do not like some of the things that this Congress is doing any more than the gentleman from North Dakota does. We are dealing with a foreign policy question and dealing with something that should have been handled by the legislative committees and not by the Committee on Appropriations.

The SPEAKER. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I am trusting the President on this matter of foreign policy. We are supposed to have a nonpartisan foreign policy. I do not believe the President would take a chance on losing one single American life. I am willing to trust him. I am willing to take his word that there are certain conditions existing now, and that, therefore, he needs the language that is in this bill.

I want to say I am certainly in complete sympathy with some of the statements that have been made today. But there is no such thing as having legislation just as we want it. We have stronger language in this conference report than what was contained in the conference report on the authorizing legislation. The conference report also contains stronger language than what was contained in the Senate appropriation bill. When we had the conference report on the authorization bill before us that was the proper time to write strong legislation on the subject and not to wait to within a few days of adjournment sine die and bring up highly controversial foreign policy question and move to recommit this appropriation bill.

The SPEAKER. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Speaker, I yield the balance of the time on the conference report to the very distinguished, able and sincere chairman of the Committee on Appropriation, the gentleman from Texas [Mr. MAHON].

The SPEAKER. The gentleman from Texas [Mr. MAHON] is recognized for 5 minutes.

Mr. MAHON. Mr. Speaker, I want to thank the gentleman from Louisiana [Mr. PASSMAN] for yielding to me the remaining 5 minutes.

Mr. Speaker, I rise to support the position which the gentleman from Louisiana has just taken in regard to the pending conference report and the position which he has just taken against the forthcoming motion to recommit the bill.

This bill has in it some \$670 million plus, for southeast Asia. Much of it to equip South Vietnamese soldiers—to equip them and to feed them and to help them fight the battles and share the sacrifices in this war for freedom in South Vietnam. I support this contribution to encourage the South Vietnamese to share in the cost, and in the fighting, and in the dying in South Vietnam.

Some seem to be troubled by the fact that the restrictive language provisions in the bill and the conference report with respect to Cuba and with respect to North Vietnam are a bit different. The present restrictive language with respect to Cuba came about principally in 1962. Many countries were trading with Cuba at that time. Over a period of weeks and months our Government was able to shut off free world shipping to Cuba by countries which were receiving our aid. But it took some time. So the gentleman from New York has said we are now making progress in shutting off all free world shipping to North Vietnam. Our objective, of course,

is to shut off all free world shipping to North Vietnam; but this is not something that the President feels can be done immediately or overnight, especially in view of the situation in Greece. A number of Greek ships are involved. It is taking time. We all favor taking every appropriate step toward the elimination of all free world shipping to North Vietnam. This is certainly my position and my objective in supporting the conference agreement.

In this bill, which the gentleman from Louisiana [Mr. PASSMAN] is asking you to vote for—and which I hope you will support—we have forbidden aid to any country which provides, sells, or ships in its vessels material to North Vietnam. We forbid it. We then propose to add the proviso—"unless the President determines that the withholding of such assistance would be contrary to the national interest of the United States and reports such determination to the Congress."

In other words, we are trusting the President as Commander in Chief of the Armed Forces; we are trusting him as our spokesman in foreign policy, just as we have always trusted our Presidents in foreign policy matters. My point is, why not trust him who is in command of our Armed Forces in South Vietnam in this matter of shipping and working out these arrangements which are well under way and which have been quite successful in part thus far? Why not continue to trust him in this matter? We trust him with many vital national matters affecting our freedom, our security, our lives. We trust him with his finger on the trigger of the atomic bomb. Under our system the President is automatically charged with many awesome responsibilities.

A vote otherwise could in my judgment be interpreted as a vote of no confidence in the President in this matter, this is certainly not the desire of any Members of the House on either side of the aisle.

Elsewhere in the bill, in amendment 11, we prohibit assistance to Sukarno's Indonesia unless—and I am reading from the bill itself—"unless the President determines that such availability is essential to the national interest of the United States."

Furthermore, Congress did a similar thing earlier this session with respect to Nasser and the United Arab Republic when we had up the Commodity Credit Corporation supplemental appropriation in January. In that instance, we prohibited the use of any funds to export any of our agricultural commodities to the United Arab Republic except—and this is the point—except when—and I quote from the law—"except when the President determines that the financing of such exports is in the national interest"

Furthermore, Mr. Speaker, for the sake of emphasis, I must repeat something others have said, because it is pertinent and it is important to an evaluation of the question: The conference agreement against North Vietnam shipping is stronger—much stronger—than what Congress adopted only a few weeks ago in the foreign aid authorization bill. And

the conference prohibition is also much stronger than the Senate amendment 9 which it replaces.

Both the authorization bill and the Senate amendment in the pending bill merely constituted expressions of the sense of Congress about cutting off aid under the given circumstances. But the conference agreement is a mandatory provision—not merely an expression of a view. And the conference agreement is as strict, as strong, and as prohibitive as the original House restrictions in this appropriation bill with the single and sole exception of the Presidential discretion provision.

Mr. Speaker, in elaboration, may I say that the casual reader of this RECORD or those not acquainted with the details of the various provisions of the bill might gather that this conference agreement with respect to modification of the North Vietnam restriction represented a radical departure from precedent or practice. On the contrary, Mr. Speaker, Congress has repeatedly recognized the need for Presidential discretion in highly sensitive situations where national security is involved. Cutting off shipping to North Vietnam is not the only question at stake; as indicated earlier, important relationships with NATO allies vital to our security might well be adversely affected if in our well-intentioned desire to hamstring North Vietnam in every way possible we should unwisely tie our President's hands. That is what we have tried to avoid, and that is our aim in this conference agreement to which some objection has been voiced.

But more specifically, Mr. Speaker, the whole of the truth about the pending provision is this: The only real difference—the only difference of substance—between the original House passed version and the conference version is that the conference version permits the Presidential discretion which I mentioned. That is the only difference. And there is nothing new or radical about that.

Elsewhere in the pending bill, in amendment No. 10, we prohibit assistance to Nasser's United Arab Republic unless—and I am reading from the bill itself, which states—"unless the President determines that the withholding of such assistance would be contrary to the national interest of the United States and reports such determination to the Congress."

During President Eisenhower's administration, discretionary language was likewise adopted by Congress in dealing with sensitive international situations in Yugoslavia. There are other examples. This policy grows out of a realization of the fact that often there are unpredictable changes in world trouble spots which require flexibility of action by the President if he is to serve the best interest of the United States.

So, Mr. Speaker, I hope the coming motion to recommit the conference report will fail, and that we retain in the bill language forbidding shipments to North Vietnam except in certain instances and circumstances in which the President determines—as he must under the conference bill—that it is in the national interest to do otherwise and notifies the Congress to that effect.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. I wonder if the distinguished chairman of the committee could give us an example of a case in which the President of the United States might determine that it was in the national interest of our country to permit free world ships to carry military hardware to North Vietnam?

Mr. MAHON. The President does not favor the carrying of military hardware to North Vietnam.

Mr. CHAMBERLAIN. That is the discretion we are giving him, is it not?

Mr. MAHON. I believe he needs the discretion which is in the pending bill in working with certain of our NATO Allies until this matter can be handled in such a way as to enhance the stature of the United States in the NATO countries and also take care of our interests in southeast Asia. It seems to me that this is certainly a very wise position for us to take at this time under the circumstances.

Mr. PASSMAN. The President would never permit such a thing to happen if it was within his power to prevent it.

Mr. ROGERS of Florida. Mr. Speaker, the measure before makes available United States aid to Mexico. The amount is undisclosed, yet last year United States aid to Mexico totaled almost \$25 million.

It is curious that \$25 million is the official amount of trade Mexico exported to Communist Cuba last year. Unofficial yet reliable sources show 1964 Mexican-Cuban trade to be worth at least three times that amount.

It must be noted that the Organization of American States is desperately trying to enforce an economic and diplomatic boycott of Communist Cuba. Mexico seems oblivious of this official attempt by all the nations of this hemisphere to quarantine Fidel Castro.

As the leading nation in the Western Hemisphere, the United States should be the first to initiate reprisals against those foreign countries who thwart the will of the majority of the nations in the hemisphere.

United States relations with Mexico have been cordial. The fact that Americans purchased over \$600 million in goods from their Mexican neighbors last year shows the good will which exists between the two countries. However, with the true nature of the Castro regime shown as virtually against the principles of the free world, those who administer the U.S. foreign aid program ought to use this Nation's generosity with Mexico as a lever to obtain an end to Mexico's aid to Communist Cuba.

I urge the Congress to impress these principles in our foreign policy.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT

Mr. SHRIVER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the conference report?

Mr. SHRIVER. I am, Mr. Speaker.
The SPEAKER. The gentleman qualifies.

The clerk read as follows:

Mr. SHRIVER moves to recommit the conference report to the committee of conference with instructions to the managers on the part of the House to insist upon disagreement to amendment No. 7.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 164, nays 174, not voting 94, as follows:

[Roll No. 347]

YEAS—164

Abbitt	Fisher	O'Neal, Ga.
Abernethy	Ford, Gerald R.	Pelly
Andrews,	Fountain	Pike
N. Dak.	Fulton, Pa.	Poff
Arends	Fuqua	Pool
Ashbrook	Gathings	Pucinski
Ashmore	Gettys	Quile
Ayres	Gibbons	Quillen
Baldwin	Griffin	Randall
Baring	Gross	Reid, Ill.
Bates	Grover	Reifel
Battin	Gubser	Reinecke
Belcher	Gurney	Roberts
Bell	Hagan, Ga.	Robison
Bennett	Haley	Rogers, Fla.
Berry	Hall	Roush
Betts	Halpern	Rumsfeld
Bow	Hanna	Satterfield
Brook	Hansen, Idaho	Saylor
Broomfield	Harvey, Ind.	Schneebeli
Broyhill, N.C.	Harvey, Mich.	Schweiker
Broyhill, Va.	Herlong	Secrest
Buchanan	Horton	Selden
Byrnes, Wis.	Hull	Shriver
Casey	Hungate	Skubitz
Cederberg	Hutchinson	Smith, Calif.
Chamberlain	Ichord	Smith, N.Y.
Clancy	Jarman	Smith, Va.
Clausen,	Jennings	Springer
Don H.	Johnson, Pa.	Stafford
Clawson, Del.	Jonas	Stanton
Cleveland	Jones, Mo.	Stubblefield
Collier	Keith	Talcott
Conable	King, N.Y.	Taylor
Conte	Kunkel	Teague, Calif.
Corbett	Langen	Teague, Tex.
Cramer	Lennon	Thomson, Wis.
Cunningham	Lipscomb	Tuck
Curtin	McCarthy	Tuten
Dague	McClary	Waggoner
Davis, Ga.	McDade	Walker, Miss.
Davis, Wis.	McEwen	Walker, N. Mex.
Derwinski	McMillan	Watkins
Devine	MacGregor	Watson
Dickinson	Marsh	Watts
Dole	Martin, Mass.	Weltner
Dowdy	Martin, Nebr.	Whalley
Downing	Mills	White, Tex.
Dulski	Minshall	Whitener
Duncan, Tenn.	Moeller	Widnall
Dwyer	Moore	Williams
Edwards, Ala.	Morton	Wolff
Ellsworth	Mosher	Wyder
Erlenborn	Nelsen	Younger
Fascell	O'Konski	
Findley	Olsen, Mont.	

NAYS—174

Adams	Burleson	Denton
Albert	Burton, Calif.	Diggs
Anderson,	Byrne, Pa.	Dingell
Tenn.	Cabell	Donohue
Annunzio	Callan	Edmondson
Ashley	Cameron	Edwards, Calif.
Bandstra	Chelf	Evans, Colo.
Barrett	Clark	Everett
Beckworth	Clevenger	Fallon
Bingham	Cohelan	Farbstein
Blatnik	Conyers	Farnsley
Boggs	Corman	Farnum
Boland	Craley	Feighan
Bolling	Culver	Flood
Brademas	Daddario	Fogarty
Brooks	Daniels	Foley
Brown, Calif.	de la Garza	Ford
Burke	Delaney	William D.

Fraser	McGrath	Resnick
Friedel	McVicker	Rhodes, Pa.
Fulton, Tenn.	Machen	Rodino
Gallagher	Mackay	Rogers, Colo.
Garmatz	Mackie	Rogers, Tex.
Gialmo	Madden	Ronan
Gilbert	Mahon	Rooney, N.Y.
Gonzalez	Mailliard	Rooney, Pa.
Gray	Matsunaga	Rosenthal
Green, Pa.	Meeds	Rostenkowski
Grelgg	Miller	Roybal
Grider	Minish	Ryan
Griffiths	Mink	St Germain
Hagen, Calif.	Monagan	Scheuer
Hamilton	Moorhead	Schisler
Hansen, Wash.	Morgan	Schmidhauser
Harris	Morrison	Senner
Hathaway	Moss	Sickles
Hechler	Multer	Sikes
Helstoski	Murphy, Ill.	Sisk
Hicks	Murphy, N.Y.	Slack
Holland	Murray	Staggers
Howard	Natcher	Stalbaum
Huot	Nedzi	Sullivan
Irwin	O'Brien	Tenzer
Jacobs	O'Hara, Ill.	Todd
Joelson	O'Hara, Mich.	Trimble
Johnson, Calif.	Olson, Minn.	Udall
Jones, Ala.	O'Neill, Mass.	Ullman
Karsten	Ottinger	Van Deerlin
Karth	Passman	Vanik
Kastenmeier	Patman	Vigorito
King, Calif.	Patten	Vivian
King, Utah	Pepper	White, Idaho
Krebs	Perkins	Whitten
Landrum	Philbin	Willis
Leggett	Pickle	Wilson,
Long, Md.	Poage	Charles H.
Love	Powell	Wright
McDowell	Price	Young
McFall	Reid, N.Y.	Zablocki

NOT VOTING—94

Adair	Grabowski	Morris
Addabbo	Green, Oreg.	Morse
Anderson, Ill.	Halleck	Nix
Andrews,	Hanley	Pirnie
George W.	Hansen, Iowa	Purcell
Andrews,	Hardy	Race
Glenn	Harsha	Redlin
Aspinall	Hawkins	Reuss
Bolton	Hays	Rhodes, Ariz.
Bonner	Hébert	Rivers, S.C.
Bray	Henderson	Rivers, Alaska
Burton, Utah	Holifield	Roncalio
Cahill	Hosmer	Roudebush
Callaway	Johnson, Okla.	St. Onge
Carey	Kee	Scott
Carter	Kelly	Shipley
Celler	Keogh	Smith, Iowa
Colmer	Kirwan	Steed
Cooley	Kluczynski	Stephens
Curtis	Kornegay	Stratton
Dawson	Laird	Sweeney
Dent	Latta	Thomas
Dorn	Lindsay	Thompson, N.J.
Dow	Long, La.	Thompson, Tex.
Duncan, Oreg.	McCulloch	Toll
Dyal	Macdonald	Tunney
Evins, Tenn.	Martin, Ala.	Tupper
Fino	Mathias	Utt
Flynt	Matthews	Wilson, Bob
Frelinghuysen	May	Wyatt
Gilligan	Michel	Yates
Goodell	Mize	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Keogh against.
Mr. Long of Louisiana for, with Mr. Kirwan against.
Mr. Kornegay for, with Mrs. Kelly against.
Mr. Adair for, with Mr. Dent against.
Mr. Roudebush for, with Mr. Celler against.
Mr. Burton of Utah for, with Mr. Carey against.
Mr. Bob Wilson for, with Mr. Dow against.
Mr. Callaway for, with Mr. Dyal against.
Mr. Carter for, with Mr. Gilligan against.
Mrs. May for, with Mr. Purcell against.
Mr. Latta for, with Mrs. Green of Oregon against.
Mr. Hosmer for, with Mr. Holifield against.
Mr. Laird for, with Mr. Yates against.
Mr. Curtis for, with Mr. Toll against.
Mr. Henderson for, with Mr. Thompson of New Jersey against.
Mr. Fino for, with Mr. Sweeney against.

Mr. Martin of Alabama for, with Mr. St. Onge against.

Mr. Bray for, with Mr. Hays against.
Mr. Utt for, with Mr. Cooley against.
Mr. Wyatt for, with Mr. Dawson against.
Mr. Dorn for, with Mr. Tunney against.
Mr. Scott for, with Mr. Roncalio against.
Mr. Stephens for, with Mr. Hawkins against.

Mr. Flynt for, with Mr. Kee against.
Mr. George W. Andrews for, with Mr. Reuss against.

Mr. Pirnie for, with Mr. Rivers of Alaska against.

Mr. Rhodes of Arizona for, with Mr. Hanley against.

Mr. Glenn Andrews for, with Mr. Grabowski against.

Mr. Harsha for, with Mr. Hansen of Iowa against.

Mr. Anderson of Illinois for, with Mr. MacDonald against.

Mr. Mize for, with Mr. Nix against.
Mr. Michel for, with Mr. Redlin against.

Mr. Cahill for, with Mr. Stratton against.
Mr. Matthews for, with Mr. Duncan of Oregon against.

Mr. Race for, with Mr. Kluczynski against.

Until further notice:

Mr. Shipley with Mr. Lindsay.
Mr. Morris with Mr. Morse.
Mr. Thomas with Mr. Frelinghuysen.
Mr. Addabbo with Mr. Mathias.
Mr. Bonner with Mr. Halleck.
Mr. Aspinall with Mr. Goodell.
Mr. Colmer with Mr. McCulloch.
Mr. Hardy with Mr. Tupper.
Mr. Evins of Tennessee with Mrs. Bolton.
Mr. Smith of Iowa with Mr. Steed.

The result of the vote was announced as above recorded.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 204, nays 127, not voting 101, as follows:

[Roll No. 348]

YEAS—204

Adams	Culver	Griffin
Albert	Daddario	Griffiths
Anderson,	Daniels	Hagen, Calif.
Tenn.	Delaney	Halpern
Annunzio	Denton	Hamilton
Arends	Diggs	Hanna
Ashley	Dingell	Hansen, Wash.
Ayres	Donohue	Harris
Baldwin	Downing	Hathaway
Bandstra	Dulski	Hechler
Barrett	Dwyer	Helstoski
Bates	Edmondson	Hicks
Beckworth	Edwards, Calif.	Holland
Bell	Evans, Colo.	Horton
Bingham	Fallon	Howard
Blatnik	Farbstein	Huot
Boggs	Farnsley	Irwin
Boland	Farnum	Jacobs
Bolling	Fascell	Joelson
Brademas	Feighan	Johnson, Calif.
Brooks	Flood	Jones, Ala.
Brookfield	Fogarty	Karsten
Brown, Calif.	Foley	Karth
Burke	Ford, Gerald R.	Kastenmeier
Burton, Calif.	Ford,	King, Calif.
Byrne, Pa.	William D.	King, Utah
Cabell	Fraser	Krebs
Callan	Friedel	Kunkel
Cameron	Fulton, Pa.	Landrum
Clark	Fulton, Tenn.	Leggett
Cleveland	Gallagher	Long, Md.
Clevenger	Garmatz	Love
Cohelan	Gialmo	McCarthy
Conable	Gilbert	McDade
Conte	Gonzalez	McDowell
Conyers	Gray	McFall
Corbett	Green, Pa.	McGrath
Corman	Grelgg	McVicker
Craley	Grider	Machen

Mackay	Passman	Selden
Mackie	Patten	Senner
Madden	Pelly	Sickles
Mahon	Pepper	Sisk
Mallard	Perkins	Smith, N.Y.
Martin, Mass.	Philbin	Springer
Matsunaga	Pickle	Stafford
Meeds	Pike	Staggers
Miler	Powell	Stalbaum
Minish	Price	Sullivan
Mink	Pucinski	Teague, Calif.
Monagan	Quie	Tenzer
Moorhead	Reid, N.Y.	Todd
Morgan	Resnick	Trimble
Morrison	Rhodes, Pa.	Udall
Morton	Robison	Van Deerlin
Moss	Rodino	Vanik
Multer	Rogers, Colo.	Vigorito
Murphy, Ill.	Ronan	Vivian
Murphy, N.Y.	Rooney, N.Y.	Weitner
Murray	Rooney, Pa.	Whalley
Natcher	Rosenthal	White, Idaho
Nedzi	Rostenkowski	Widnall
O'Brien	Roybal	Wilson
O'Hara, Ill.	Ryan	Charles H.
O'Hara, Mich.	St Germain	Wolf
Olsen, Mont.	Scheuer	Wright
Olson, Minn.	Schisler	Wydler
O'Neill, Mass.	Schmidhauser	Young
Ottinger	Schweiker	Zablocki

NAYS—127

Abbitt	Elisworth	Nelsen
Abernethy	Erlenborn	O'Konski
Andrews	Everett	O'Neal, Ga.
N. Dak.	Fisher	Poage
Ashbrook	Fountain	Poff
Ashmore	Fuqua	Pool
Baring	Gathings	Quillen
Battin	Gettys	Randall
Belcher	Gibbons	Reid, Ill.
Bennett	Gross	Reifel
Berry	Grover	Reinecke
Betts	Gubser	Roberts
Bonner	Gurney	Rogers, Fla.
Bow	Hagan, Ga.	Rogers, Tex.
Brock	Haley	Roush
Broyhill, N.C.	Hall	Rumsfeld
Broyhill, Va.	Hansen, Idaho	Satterfield
Buchanan	Harvey, Ind.	Saylor
Burleson	Harvey, Mich.	Schneebeli
Byrnes, Wis.	Herlong	Secret
Casey	Hull	Shriver
Cederberg	Hungate	Skubitz
Chamberlain	Hutchinson	Smith, Calif.
Chelf	Ichord	Smith, Va.
Clancy	Jarman	Stubblefield
Clausen	Jennings	Talcott
Don H.	Johnson, Pa.	Taylor
Clawson, Del.	Jonas	Teague, Tex.
Collier	Jones, Mo.	Thomson, Wis.
Cramer	Keith	Tuck
Cunningham	King, N.Y.	Tuten
Curtin	Langen	Waggonner
Dague	Lennon	Walker, Miss.
Davis, Ga.	Lipscomb	Walker, N. Mex.
Davis, Wis.	McClory	Watkins
de la Garza	McMillan	Watson
Derwinski	Marsh	Watts
Devine	Martin, Nebr.	White, Tex.
Dickinson	Mills	Whitener
Dole	Minshall	Whitten
Dowdy	Moeller	Williams
Duncan, Tenn.	Moore	Willis
Edwards, Ala.	Mosher	Younger

NOT VOTING—101

Adair	Flynt	McCulloch
Addabbo	Frelinghuysen	McEwen
Anderson, Ill.	Gilligan	Macdonald
Andrews	Goodell	MacGregor
George W.	Grabowski	Martin, Ala.
Andrews	Green, Oreg.	Mathias
Glenn	Halleck	Matthews
Aspinall	Hanley	May
Bolton	Hansen, Iowa	Michel
Bray	Hardy	Mize
Burton, Utah	Harsha	Morris
Cahill	Hawkins	Morse
Callaway	Hays	Nix
Carey	Hébert	Patman
Carter	Henderson	Pirnie
Celler	Hollifield	Purcell
Colmer	Hosmer	Race
Cooley	Johnson, Okla.	Redlin
Curtis	Kee	Reuss
Dawson	Kelly	Rhodes, Ariz.
Dent	Keogh	Rivers, Alaska
Dorn	Kirwan	Rivers, S.C.
Dow	Kluczynski	Roncalio
Duncan, Oreg.	Kornegay	Roudebush
Dyal	Laird	St. Onge
Evins, Tenn.	Latta	Scott
Findley	Lindsay	Shipley
Fino	Long, La.	Sikes

Slack	Sweeney	Tupper
Smith, Iowa	Thomas	Ullman
Stanton	Thompson, N.J. Utt	
Steed	Thompson, Tex. Wilson, Bob	
Stephens	Toll	Wyatt
Stratton	Tunney	Yates

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Hébert against.
 Mr. Kirwan for, with Mr. Kornegay against.
 Mr. Kluczynski for, with Mr. Henderson against.
 Mrs. Kelly for, with Mr. Scott against.
 Mr. Hollifield for, with Mr. Shipley against.
 Mr. Addabbo for, with Mr. Sikes against.
 Mr. Celler for, with Mr. Stephens against.
 Mr. Macdonald for, with Mr. George W. Andrews against.
 Mr. Gilligan for, with Mr. Colmer against.
 Mr. Evins for, with Mr. Dorn against.
 Mr. Slack for, with Mr. Flynt against.
 Mr. Hays for, with Mr. Rivers of South Carolina against.
 Mr. Casey for, with Mr. Race against.
 Mr. Cooley for, with Mr. Morris against.
 Mr. Dow for, with Mr. Steed against.
 Mrs. Bolton for, with Mr. Glenn Andrews against.
 Mr. Morse for, with Mr. Harsha against.
 Mr. MacGregor for, with Mr. Carter against.
 M. Cahill for, with Mr. Utt against.
 Mr. Frelinghuysen for, with Mr. Rhodes of Arizona against.
 Mr. Pirnie for, with Mr. Bob Wilson against.
 Mr. Mathias for, with Mr. Adair against.
 Mr. Lindsay for, with Mr. Callaway against.
 Mr. Tupper for, with Mr. Roudebush against.
 Mr. Dent for, with Mr. Michel against.
 Mr. Dyal for, with Mr. Stanton against.
 Mr. Toll for, with Mr. Martin of Alabama against.
 Mr. Nix for, with Mr. McEwen against.
 Mr. Thompson of New Jersey for, with Mr. Latta against.
 Mr. St. Onge for, with Mr. Laird against.
 Mr. Hanley for, with Mr. Fino against.
 Mr. Purcell for, with Mr. Curtis against.
 Mr. Stratton for, with Mr. Burton of Utah against.
 Mr. Sweeney for, with Mr. Long of Louisiana against.
 Mr. Yates for, with Mr. Wyatt against.
 Mr. Kee for, with Mrs. May against.
 Mr. Reuss for, with Mr. Mize against.
 Mrs. Green of Oregon for, with Mr. Bray against.
 Mr. Redlin for, with Mr. Anderson of Illinois against.
 Mr. Rivers of Alaska for, with Mr. Johnson of Oklahoma against.
 Mr. Smith of Iowa for, with Mr. McCulloch against.
 Mr. Grabowski for, with Mr. Findley against.

Until further notice:

Mr. Thomas with Mr. Hardy.
 Mr. Hansen of Iowa with Mr. Tunney.
 Mr. Ullman with Mr. Dawson.
 Mr. Aspinall with Mr. Hawkins.
 Mr. Roncalio with Mr. Patman.
 Mr. Matthews with Mr. Duncan of Oregon.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 12, line 9, insert:

"SEC. 116. In determining whether the funds appropriated or made available pursuant to this Act for assistance under the Foreign Assistance Act of 1961, as amended,

may be used for assistance to any country, the President shall take into account such steps as that country has taken to prevent ships under its registry from transporting strategic items, items of economic assistance, or other equipment, materials or commodities to North Vietnam. If any country receiving assistance fails to take appropriate steps to prevent its ships from transporting such items, it is the sense of the Congress that assistance should be denied to that country."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following:

"SEC. 116. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country that sells, furnishes or permits any ships under its registry to carry to North Vietnam any of the items mentioned in subsection 107(a) of this Act unless the President determines that the withholding of such assistance would be contrary to the national interest of the United States and reports such determination to the Congress."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 12, line 20, insert:

"SEC. 117. None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to the United Arab Republic, unless the President determines that such availability is essential to the national interest of the United States."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 13, line 1, insert:

"SEC. 118. None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to Indonesia, unless the President determines that such availability is essential to the national interest of the United States."

Mr. PASSMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PASSMAN moves that the House recede from its disagreement to the amendment of the Senate numbered 11 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

GENERAL LEAVE

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just adopted by the House.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISMISSAL OF COURT ACTION— MESSAGE FROM THE DEPARTMENT OF JUSTICE

The SPEAKER laid before the House the following communication from the Department of Justice:

DEPARTMENT OF JUSTICE,
Washington, September 29, 1965.

HON. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: We enclose a copy of an order entered by the court on September 14, 1965, in the action entitled *The All-America Protectorate, Inc. v. Lyndon B. Johnson, et al.*, Civil No. 1583-65, in which you were named as a defendant. As indicated in the court's order, this action has now been dismissed by the court.

Accordingly, at an appropriate time after the appeal period has expired, we will close our files in this matter.

Sincerely yours,

JOHN W. DOUGLAS,
Assistant Attorney General.

The SPEAKER. Without objection, the order will be recorded in the Journal and in the RECORD.

[U.S. District Court for the District of Columbia—Civil action No. 1583-65]

THE ALL-AMERICA PROTECTORATE, INCORPORATED, PLAINTIFF, v. LYNDON B. JOHNSON, INDIVIDUALLY AND AS PRESIDENT OF THE UNITED STATES OF AMERICA; MIKE MANSFIELD, INDIVIDUALLY AND AS MAJORITY LEADER OF THE UNITED STATES SENATE; EVERETT M. DIRKSEN, INDIVIDUALLY AND AS MINORITY LEADER OF THE UNITED STATES SENATE; JOHN W. MCCORMACK, INDIVIDUALLY AND AS SPEAKER OF THE UNITED STATES HOUSE OF REPRESENTATIVES; CARL B. ALBERT, INDIVIDUALLY AND AS MAJORITY LEADER OF THE UNITED STATES HOUSE OF REPRESENTATIVES; AND GERALD R. FORD, INDIVIDUALLY AND AS MINORITY LEADER OF THE UNITED STATES HOUSE OF REPRESENTATIVES, DEFENDANTS

ORDER

Upon consideration of defendants' motion to dismiss and the memorandum of points and authorities in support thereof and in opposition thereto, and it appearing to the court that plaintiff lacks standing to maintain this action, that the complaint fails to raise a justiciable controversy, and that this court lacks jurisdiction to enter an order directing Members of the Congress to perform a legislative function, it is by the court this 14th day of September 1965,

Ordered, That defendants' motion to dismissal be and it hereby is granted, and that the action be and it hereby is dismissed.

J. SIRICA,
U.S. District Judge.

CERTIFICATE OF SERVICE

I hereby certify that service of the foregoing proposed order has been made upon the plaintiff by mailing a copy thereof to its attorney, Lovell W. George, Esq., 8015 Forsyth Boulevard, Clayton, Mo., 31405, on this 14th day of September 1965.

ARNOLD T. AIKENS,
Assistant U.S. Attorney.

MEDICAL LIBRARY ASSISTANCE ACT OF 1965

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, and in behalf of the gentleman from Missouri [Mr. BOLLING], I call up House Resolu-

tion 590 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3142) to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate medical library services and facilities. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. YOUNG. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH], and pending that, I yield myself such time as I might require.

(Mr. YOUNG asked and was given permission to revise and extend his remarks.)

Mr. YOUNG. Mr. Speaker, House Resolution 590 provides an open rule with 2 hours of general debate for consideration of H.R. 3142, a bill to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate medical library services and facilities.

For some years concern has been expressed over the needs of medical libraries for expansion, renovation, and improved services. If these libraries are unable to meet the need for expanded facilities and services, much of the ever-increasing volume of knowledge and information in the health sciences will be inaccessible to many scientists.

Studies conducted in 1963, 1964, and 1965 indicate that medical libraries have been unable to stay abreast of the mounting medical and scientific literature.

The 1963 study indicated that the additional space needs of the 87 medical school libraries would cost an estimated \$100 million. Space needs reported by 79 medical schools in the 1965 questionnaire indicated a total need of over 2.5 million square feet, or an average per school need of 32,00 square feet.

The 1965 questionnaire also indicated a total need of over 1.3 million volumes or an average school need of 18,000 additional volumes and periodicals.

In addition to their needs for additional space and volumes, the schools reported on their needs for support for cataloging, binding, and other instructional media or equipment. The average per school need for these other library resources is \$132,000.

The average medical school library would have to expend over \$1 million above expected budget allotments in the next 5 years to meet library needs as currently estimated. This does not include the additional costs of staffing, equipping, and maintaining expanded facili-

ties for the needed increases in volume holdings.

The purpose of H.R. 3142 is to establish a program of grants to finance the construction of medical library facilities, the training of biomedical librarians and information specialists, the expansion and improvement of medical library resources, research and development in medical library science, the support of special scholarly scientific projects, the establishment of regional medical libraries, and the establishment of regional branches of the National Library of Medicine.

Appropriations authorizations to carry out the purposes of the bill would total \$105 million over a 5-year period.

Mr. Speaker, I urge the resolution (H. Res. 590) be adopted.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, House Resolution 590 will provide for an open rule, with 2 hours of general debate, for consideration of H.R. 3142, to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate medical library services and facilities.

The purposes of the bill are to establish a program of grants to finance the construction of medical library facilities, the training of biomedical librarians, the expansion and improvement of medical library resources, the establishment of regional medical libraries, and the establishment of regional branches of the National Library of Medicine. The program covers 5 fiscal years, ending June 30, 1970, at a cost of \$105 million.

Section 393 covers assistance for construction of facilities. The section authorizes the Surgeon General, upon application by any public or nonprofit institution, to make grants to help such institution in meeting construction costs of a medical library facility. The application must be recommended by the National Medical Libraries Assistance Advisory Board—whose membership is identical with the Board of Regents of the National Library of Medicine—and approved by the Surgeon General after making the following determinations: First, the construction is necessary to meet the needs of the area where it will be located; second, provisions of the Davis-Bacon Act with respect to rate of wages paid will be adhered to; third, the facility will be used as a medical library for at least 20 years; and fourth, that sufficient non-Federal funds are available to meet that share of construction costs and maintain the facility once it is operational. Priority is to be granted to applications for which the need is greatest. The Federal grant may equal 75 percent of construction costs. If the facility is not used as a medical library for 20 years, the Federal Government may recover its share of the project. An appropriation of \$10 million for each

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

Issued Oct. 6, 1965
For actions of Oct. 5, 1965
89th-1st; No. 184

CONTENTS

Appropriations.....1,18	Forestry.....2,7	Recreation.....2
Beef exports.....6	Highways.....16,17	Research.....5,13,20
Buildings.....8	Information.....4,20	Retirement.....9,22
Disaster relief.....14	Labor standards.....12	Saline water.....5
Fabrics.....11	Leave.....22	Sugar.....15,19
Farm credit.....24	Lumber.....7	Tariffs.....11
Food.....14	Nominations.....3	Transportation.....23
Foreign affairs.....10	Personnel.....9,22	Water pollution.....21
Foreign aid.....1,18	Property.....2	Water research.....5,13

HIGHLIGHTS: Senate agreed to conference report on foreign aid appropriation bill. Sen. Montoya discussed expansion of beef exports. Rep. Boggs commended distribution of food to hurricane victims. Rep. Langen criticized sugar lobbyists.

SENATE

1. FOREIGN AID APPROPRIATION BILL. By a 40-23 vote, agreed to the conference report on this bill, H. R. 10871. This bill will now be sent to the President. pp. 25097-100

2. FORESTRY. Concurred in House amendment to S. 1689, to authorize the Secretary of Agriculture to hire or rent property from employees of the Forest Service for the use of that Service, whenever in the public interest, and provides that the Secretary shall transmit to the House and Senate Committees on Agriculture a statement of rental under this authority after the end of each fiscal year (the bill removes present requirements that the property must be for use by an employee other than the employee from whom hired or rented and that the aggregate amount paid an employee shall not exceed \$3,000 in any year). This

bill will now be sent to the President. p. 25128

A subcommittee of the Interior and Insular Affairs Committee approved for full consideration without amendment H. R. 797, to establish the Whiskeytown-Shasta-Trinity National Recreation Area in California. p. D991

3. NOMINATIONS. Received the nomination of Bernard L. Boutin, N. H., to be Deputy Director of the Office of Economic Opportunity. p. 25148
4. INFORMATION. Sen. Ervin spoke in support of S. 1160, to amend the Administrative Procedure Act so as to clarify and protect the right of the public to information. pp. 25082-83
5. SALINE WATER. Sen. Mansfield commended the announcement of an agreement between U. S. and Mexico to "explore the feasibility of a nuclear-powered water desalinization plant," and inserted supporting articles. pp. 25083-84
6. BEEF EXPORTS. Sen. Montoya reviewed the efforts of the Small Business Committee for "ways and means by which American beef producers can increase their exports to Western Europe." pp. 25133-234

HOUSE

7. LUMBER. Passed without amendment H. R. 10198, to amend the requirements relating to lumber under the Shipping Act, 1916.
Rep. Senner inserted the "terms of the agreement regarding new lumber standards reached in the American Lumber Standards Committee" and urged the Department of Commerce to "move quickly in promulgating the agreed-upon standards." pp. 25045-46
8. BUILDINGS. Passed as reported S. 1516, to authorize GSA to enter into contracts for the inspection, maintenance, and repair of fixed equipment in federally owned buildings. pp. 25013-14
9. PERSONNEL. Passed as reported H. R. 969, to authorize redetermination under the Civil Service Retirement Act of annuities of certain reemployed annuitants p. 25009
Passed without amendment H. R. 11303, to amend the Civil Service Retirement Act, as amended, so as to provide that each retirement annuity commencing after Dec. 1, 1965 but not later than Dec. 31, 1965 shall be increased from commencing date as if annuity began Dec. 1, 1965. p. 25015
10. FOREIGN AFFAIRS. Passed as reported H. R. 10779, to authorize the Pharr Municipal Corporation to construct, maintain, and operate a toll bridge across the Rio Grande near Pharr, Tex. pp. 25009-10
11. TARIFFS; FABRICS. Passed under suspension of the rules H. R. 11029, relating to the tariff treatment of certain woven fabrics of vegetable fibers (except cotton). pp. 25030-1
12. LABOR STANDARDS. Rep. Glenn Andrews criticized the "administration-sponsored" minimum wage bill. p. 25044

I believe it is time to congratulate the Senator from North Carolina.

Mr. JORDAN of North Carolina. I am delighted to inform the distinguished Senator from Kansas that the Senate has accepted it, and it is now up to the President of the United States. I am sure he will sign this legislation.

I thank the distinguished Senator from Florida for his most timely remarks.

I have been a member of the Joint Committee on Libraries for a number of years; and every year I am a chairman of that committee. I know not only for the honor and the recognition that should be given to James Madison in preserving his papers as well as those of other Presidents who followed him, and at the same time preserving the vast amount of material the Library of Congress now has.

I appreciate the remarks of the Senators.

FOREIGN ASSISTANCE APPROPRIATION BILL, 1966—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10871) making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 30, 1965, pp. 24738-24739, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. PASTORE. Mr. President, on the question on the adoption of the conference report, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Is the question subject to debate?

The PRESIDING OFFICER. The Chair advises the Senator from Oregon that it is open to debate.

Mr. MORSE. I shall speak briefly. I desire the Senator from Rhode Island to know that my request that the matter go over until today, when consideration of the conference report was asked for yesterday, in no way involved a lack to cooperate with the Senator from Rhode Island. I was advised that the probabilities were strong that no quorum would be present yesterday. The senior Senator from Oregon sought only to have a yea-and-nay vote on the question, for I would never want a foreign aid bill to go through the Senate on a voice vote if I could succeed in getting a yea-and-nay vote. I want every Senator always to have the opportunity to go on record

by vote in support of or in opposition to the foreign aid bill.

I have no intention at this hour to reiterate my many reasons for opposing the foreign aid bill in its present form. The Senate is quite familiar with my long list of objections to foreign aid as it is now administered and conducted. The Senate knows that I consider the foreign aid bill to be honeycombed with the waste of hundreds of millions of dollars, gross inefficiency, and shocking maladministration in some underdeveloped areas of the world because of a considerable amount of corruption.

It is the conviction of the senior Senator from Oregon that foreign aid as it is administered in some parts of the world is of great assistance to the Communists. Instead of thwarting communism, which the senior Senator from Oregon seeks to do, foreign aid in its present form is aiding the cause of communism in some parts of the world. Many examples of that could be cited, and I have cited them ad infinitum in many speeches I have made in the Senate. I only mention in passing the military aid support that our foreign aid bill gives to the shocking totalitarian regimes and military juntas in many parts of the world. By and large, military aid to military dictatorships, military oligarchies, and military juntas helps Communists. It does not help freedom-loving people in countries which need to be brought over to the side of freedom.

Mr. President, I ask unanimous consent to have printed in the RECORD the latest poll, which appeared in the Washington Post of October 4, showing the position of the American public in regard to foreign aid.

There being no objection, the poll was ordered to be printed in the RECORD, as THE HARRIS SURVEY: 65 PERCENT APPROVE THE JOB L.B.J. DOES AS PRESIDENT

(By Louis Harris)

Nearly 9 out of 10 Americans admire President Johnson as a man who gets things done. As a consequence it comes as no surprise that throughout 1965 more than 65 percent of the public have approved of the job he has done as President.

What is more, Mr. Johnson continues to demonstrate an ability to provide something for nearly everybody.

For example, medical care for the aged is approved by 80 percent of the general public and by 86 percent of the retired people, who will benefit most immediately. Federal aid to education is supported by 78 percent of all the people, and by an even higher 87 percent by parents of schoolchildren.

Mr. Johnson's efforts to work for peace are rated positively by 73 percent of the public as a whole, and by 77 percent of families with young men of draft age. The anti-poverty program is approved by 60 percent of the Nation, and by 68 percent of those earning \$5,000 or less a year. The President's handling of civil rights meets with approval from 60 percent of the public, and rises to 78 percent support among Negroes.

SOFT SPOTS

The Johnson record, however, is not without its soft spots, any one of which could erode the President's presently strong political position.

Most serious for him is the almost 3 to 1 disapproval that people have of the way he has handled the cost of living. The 44 percent of the public who thought he was doing a good job of keeping prices down last

March had shrunk to 28 percent by late September.

Mr. Johnson also appears to be heading for trouble in the area of spending. Last March, 54 percent gave him favorable marks for keeping spending under control. Today, this figure has slipped eight points to less than a majority.

The President continues to be criticized for his handling of the Bobby Baker case, an issue in the 1964 campaign, and approval of his handling of corruption in Government is expressed by only 43 percent of the public.

Perhaps no issue illustrates the consequence of a President pursuing a policy of meeting head-on the public demand of "what have you done for me lately?" better than tax cuts. Around the time that excise taxes were cut earlier this year, Mr. Johnson was heralded by 61 percent for his efforts to keep taxes down. Now, as time dims the memory, approval has fallen off to 56 percent on this score.

CRITICAL ON AID

As serious as any category for the President to be concerned about is that of keeping America out of war, a new entry since the escalation of the war in Vietnam. While 55 percent approve of his efforts to avoid war, 45 percent are critical.

The issue of foreign aid, which has plagued both of his predecessors, finds Mr. Johnson no exception. By 52-48 percent, the public disapproves of the job the President has done there.

By and large, however, the spate of legislation passed by Congress and the President's specific policies in foreign affairs—such as his moves in Vietnam and the Dominican Republic—have met with solid public approval. (See table.)

Given such a solid issue-by-issue underpinning, Mr. Johnson's overall rating has remained high throughout 1965:

OVERALL L.B.J. RATING

[In percent]

	Positive	Negative
September.....	67	33
August.....	69	31
July.....	69	31
May.....	65	35
March.....	66	34
January.....	68	32

SPECIFIC L.B.J. JOB RATINGS

A cross-section of the public was asked: "How would you rate the job President Johnson has done on (handling medical care for the aged, etc.): Excellent, pretty good, only fair, or poor?"

	Good-excellent		
	Sep-tember	March	Shift
	Percent	Percent	Percent
Working for medicare for aged.....	80	70	+10
Keeping military defense strong.....	78	69	+9
Providing Federal aid to education.....	78	71	+7
Working for peace in the world.....	73	73	None
Keeping economy healthy.....	69	70	-1
Providing leadership to free world.....	68	62	+6
Handling Russia.....	68	65	+3
Handling Dominican crisis.....	65	64	+1
Handling Vietnam war.....	65	39	+26
Appointments to high office.....	64	66	-2
Handling Red China.....	60	52	+8
Antipoverty program.....	60	63	-3
Handling civil rights, race problems.....	60	60	None
Handling Castro and Cuba.....	58	49	+9
Cutting taxes.....	56	61	-5
Keeping America out of war.....	55	48	None
Handling foreign aid.....	48	48	None
Keeping spending under control.....	46	54	-8
Keeping corruption out of Government.....	43	44	-1
Keeping cost of living down.....	28	44	-16

Mr. MORSE. Mr. President, every once in a while some Senators tell me that I am far out of step in this matter. It is no new walking experience for me to be out of step. I recommend it to Senators. They will not lose their balance by being out of step. One would be surprised at how many will skip a step now and then to get in step with him, once they see the goal he is headed for and the public interest of that goal.

Be that as it may, this poll is a complete rebuttal of the view of those who think the senior Senator from Oregon is out of step on foreign aid. It states that by a margin of 52 to 48 the American people oppose the President's work on foreign aid. The margin was the same in March. The column reports that by a margin of 52 to 48 percent, the public disapproves of the job the President has done there, though it does not report the views of the public on foreign aid as such. As the American people come to understand the startling findings of the Comptroller General of the United States, as set forth in the many reports he has submitted to Congress, many, unfortunately, being marked "Top secret," but bearing out the opposition of the senior Senator

from Oregon to foreign aid, the American public will make clear to Congress and the administration in the next year or two that they had better reform foreign aid.

It is because of the record I have made that I have asked for a yea-and-nay vote. I shall vote against the conference report; but in doing so, I say that I have nothing but admiration for the work of the distinguished senior Senator from Rhode Island [Mr. PASTORE] as chairman of the Senate conferees. He had a job to do; and when one is chairman of Senate conferees, one has a clear responsibility to carry out the instructions of a majority of the Senate.

Although the Senator from Rhode Island and I differ on the substantive merits of foreign aid legislation, that does not cause me to hesitate the slightest in commending him for fulfilling his functions as chairman. I only hope that eventually he will come to share more of my point of view concerning an aid program that I consider shocking and is not in the best interests of my country.

Mr. PASTORE. Mr. President, I shall make a short statement, before the vote is taken, to explain the action of the conferees. Before doing so, inasmuch as

bouquets are being passed around, I congratulate and compliment the Senator from Oregon for his subtle and beautiful metaphor.

For title I of the bill, the mutual defense and development title, the House recommended appropriations in the amount of \$3,285 million. The Senate reduced this figure by \$142 million. The conference committee has agreed to restore \$75 million of the Senate reduction and recommends an appropriation of \$3,218 million. The \$75 million increase over the Senate bill provides an additional \$20 million for technical cooperation and development grants; an additional \$10 million for international organizations; an additional \$20 million for supporting assistance and an additional \$25 million for general development loans.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a tabulation which gives the budget estimates, the House and Senate figures and the amounts agreed to in conference for each line item in the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative statement of appropriations for 1965, and estimates and amounts recommended in bill for 1966

TITLE I—FOREIGN ASSISTANCE

Item	Appropriations, 1965	Budget estimates, 1966 (amended)	House allowance	Senate allowance	Conference allowance
FUNDS APPROPRIATED TO THE PRESIDENT					
MUTUAL DEFENSE AND DEVELOPMENT					
ECONOMIC ASSISTANCE					
Technical cooperation and development grants.....	\$202,070,900	¹ \$219,000,000	\$202,355,000	\$182,355,000	\$202,355,000
American schools and hospitals abroad.....	16,800,000	7,000,000	7,000,000	7,000,000	7,000,000
Surveys of investment opportunities.....	1,600,000				
International organizations and programs.....	134,272,400	145,555,000	144,755,000	134,755,000	144,755,000
Supporting assistance.....	401,000,000	² 449,200,000	369,200,000	349,200,000	369,200,000
Contingency fund, general.....	99,200,000	50,000,000	50,000,000	50,000,000	50,000,000
Contingency fund, southeast Asia.....			89,000,000	89,000,000	89,000,000
Alliance for Progress:					
Technical cooperation and development grants.....	84,700,000	85,000,000	75,000,000	75,000,000	75,000,000
Development loans.....	425,000,000	495,125,000	445,125,000	435,125,000	435,125,000
Development loans.....	773,727,600	780,250,000	673,225,000	593,225,000	618,225,000
Administrative expenses, AID.....	53,600,000	55,240,000	54,240,000	54,240,000	54,240,000
Administrative expenses, State.....	3,029,100	3,100,000	3,100,000	3,100,000	3,100,000
Subtotal, economic assistance.....	2,195,000,000	2,289,470,000	2,115,000,000	1,973,000,000	2,048,000,000
MILITARY ASSISTANCE					
Military assistance.....	1,055,000,000	1,170,000,000	1,170,000,000	1,170,000,000	1,170,000,000
Limitation on administrative expenses.....	(24,000,000)	(23,500,000)	(23,500,000)	(23,500,000)	(23,500,000)
Total, title I, foreign assistance.....	3,250,000,000	3,459,470,000	3,285,000,000	3,143,000,000	3,218,000,000

TITLE II—FOREIGN ASSISTANCE (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT					
Peace Corps.....	\$87,100,000	\$115,000,000	\$102,000,000	³ \$102,000,000	³ \$102,000,000
Limitation on administrative expenses.....	(22,708,000)	(24,100,000)	(24,100,000)	(24,100,000)	(24,100,000)
DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS					
Ryukyu Islands, Army, administration.....	14,441,000	14,733,000	14,733,000	14,733,000	14,733,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
Assistance to refugees in the United States.....	32,211,000	32,265,000	32,265,000	30,000,000	30,000,000
DEPARTMENT OF STATE					
Migration and refugee assistance.....	8,200,000	7,575,000	7,575,000	7,575,000	7,575,000
FUNDS APPROPRIATED TO THE PRESIDENT					
Investment in Inter-American Development Bank.....	455,880,000	455,880,000	455,880,000	455,880,000	455,880,000
Subscription to the International Development Association.....	61,656,000	104,000,000	104,000,000	104,000,000	104,000,000
Total, title II, foreign assistance (other).....	659,488,000	729,453,000	716,453,000	714,188,000	714,188,000

Footnotes at end of table.

Comparative statement of appropriations for 1965, and estimates and amounts recommended in bill for 1966—Continued

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

Item	Appropriations, 1965	Budget estimates, 1966 (amended)	House allowance	Senate allowance	Conference allowance
Limitation on operating expenses.....	(\$1,350,060,000)	(\$1,186,120,000)	(\$1,186,120,000)	(\$1,186,120,000)	(\$1,186,120,000)
Limitation on administrative expenses.....	(3,915,000)	(4,052,000)	(4,052,000)	(4,052,000)	(4,052,000)
Total, title III, Export-Import Bank.....	(1,353,975,000)	(1,190,172,000)	(1,190,172,000)	(1,190,172,000)	(1,190,172,000)
Grand total, all titles.....	3,909,488,000	4,188,923,000	4,001,453,000	3,857,188,000	3,932,188,000

¹ Includes \$9,000,000 for "Supporting assistance" for southeast Asia.² Includes \$80,000,000 for "Supporting assistance" for southeast Asia.³ Plus \$12,100,000 for unobligated funds remaining available on June 30, 1965.

Mr. PASTORE. Mr. President, in short, the Senate reduced the House amount by \$142 million. In conference, \$75 million was restored, which means that the conference report is \$75 million above the Senate figure and \$67 million below the House figure.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PASTORE. I yield to the Senator from Florida.

Mr. HOLLAND. I have had the responsibility for some time to serve as one of the Senate conferees on the foreign aid appropriations bill. The distinguished Senator from Rhode Island had a unique experience as well as a unique responsibility this year, because this is the first time, at least during my service in the Senate, when the Senate figure has been below the House figure for the foreign aid appropriation bill.

I want the RECORD to show that the Senator from Rhode Island carried that responsibility in magnificent fashion. My own feeling was that the substantial compromise that was effected was a sound one and that the additions that were made, even though we regretted them because the Senate itself had not made them, were in fields which were much better understood as requiring additions than other fields in which the Senate position was maintained and recognized in conference.

Mr. PASTORE. Mr. President, the senior Senator from Florida [Mr. HOLLAND] was a bulwark of strength, not only during the progress of the hearings in which we were formulating the final figures which have come before the Senate, but also during the conference.

Mr. HOLLAND. Mr. President, I thank my friend the senior Senator from Rhode Island.

This is a rather disturbing job always, but I have felt for a long time that, in a world that is so disturbed, and with the advice of all our Presidents of recent years, of both parties, the advice of our joint chiefs of staff, the advice of our Secretaries of State, and all who know most about foreign affairs being so strongly in support of many of the items in the foreign aid bill, most of us required to vote should realize that there must be strength to their joint recommendations. When they tell us that these dollars go further in defending our own security than perhaps even dollars spent for our own military security, we are obligated to accept that joint and uniform recommendation as having great value.

Mr. President, I was very much disturbed when I learned during the course of the conference on the foreign assistance bill that the malaria eradication program for fiscal year 1965 was cut back by the administration to the tune of approximately \$6 million. I immediately inquired as to why funds appropriated by Congress were withheld from this most important program.

I do not believe that there is any part of foreign aid which is more intimately helpful to many of our friends in Latin America than the malarial control program. I have long been interested in it and in its continued existence in the serving of the very precious cause which it serves.

I was happy to learn that the program was not cut back by \$6 million but, as a matter of fact, that \$6,190,000 of the 1965 program had been deferred until fiscal year 1966. In other words, it had not been spent during fiscal year 1965.

For fiscal year 1965, a malaria eradication program totaling \$25,609,000 was initially contemplated. Of this sum, \$14,790,000 was to be funded out of the Development Loan Fund and \$10,819,000 was to be funded from the technical co-operation and development grant account.

Of the development loan funding provided in fiscal year 1965, a total of \$6,190,000 was to be loaned to four countries in Central America—namely, El Salvador, Guatemala, Honduras, and Nicaragua—after each country had completed its plan for eradication. Unfortunately, the plans for all four countries had not been completed in fiscal year 1965; thus, loans totaling \$6,190,000 were withheld pending completion of each country's plan.

I understand that all plans have now been completed, and that the \$6,190,000 which was supposed to be loaned in fiscal year 1965 will now be loaned in fiscal year 1966. In fact, I have been informed that this sum will probably be obligated during the next few weeks in the four Central American countries previously named—countries which are our close neighbors and good friends.

This means, Mr. President, that the malaria eradication program initially contemplated and justified to Congress for fiscal year 1966, totaling \$19,105,000, will now be increased by \$6,190,000 to \$25,295,000—the full amount of the program.

The malaria eradication program is perhaps one of the most important programs funded in the foreign assistance

bill, and in the past Congress has repeatedly made this fact known by including language in the reports of either the Senate or the committee of conference that the full budget estimate for the malaria eradication program is hereby made available.

The fact that report language has not been included this year should not be construed as a lack of interest on the part of the Congress in the malaria eradication program. On the contrary, I believe that Congress considers the malaria eradication program to be most important, a fact to which the distinguished senior Senator from Rhode Island [Mr. PASTORE] will, I am sure, also attest.

Mr. President, I feel confident that I speak for everyone in the Senate in admonishing the administration to carry out in fiscal year 1966 the full budget estimate for malaria eradication, plus the \$6,190,000 that was deferred in the fiscal year 1965 program.

Mr. PASTORE. Mr. President, I concur wholeheartedly with my distinguished colleague the senior Senator from Florida.

I have known of the interest of the Senator in the malaria eradication program, especially in Central America. It is my understanding, as it is his, that the carryover, which was not committed last year because the plans were not completed, will be spent in 1966, together with what has been allotted for 1966.

Mr. HOLLAND. Mr. President, I thank the distinguished chairman for corroborating, as I knew he would, the importance of this program and the commitment which Congress makes at this time.

I thank the Senator again for his leadership throughout the consideration of this bill, as well as for the gracious words spoken by him relative to the Senator from Florida.

The PRESIDING OFFICER. The question is on agreeing to the conference report. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Maryland [Mr. BREWSTER], the Senator from Nevada [Mr. CANNON], the Senator from Idaho [Mr. CHURCH], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Montana [Mr. METCALF], the Senator

from Oklahoma [Mr. MONRONEY], the Senator from New Mexico [Mr. MONTOYA], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PELL], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. GORE], the Senator from New York [Mr. KENNEDY], the Senator from Minnesota [Mr. McCARTHY], the Senator from South Carolina [Mr. RUSSELL], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. BAYH], the Senator from Idaho [Mr. CHURCH], the Senator from New York [Mr. KENNEDY], the Senator from Nevada [Mr. CANNON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PELL], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Ohio [Mr. YOUNG], and the Senator from Michigan [Mr. HART] would each vote "yea."

On this vote, the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Virginia would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] is absent on official business.

The Senator from New Jersey [Mr. CASE], the Senator from New York [Mr. JAVITS], the Senator from South Dakota [Mr. MUNDT], and the Senator from Massachusetts [Mr. SALTONSTALL] are absent by leave of the Senate as delegates to attend the NATO Parliamentary Conference in New York City.

The Senator from Nebraska [Mr. CURTIS], the Senator from Kentucky [Mr. COOPER], the Senator from Colorado [Mr. DOMINICK], the Senator from Iowa [Mr. MILLER], the Senator from California [Mr. MURPHY], the Senator from Kansas [Mr. PEARSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from Hawaii [Mr. FONG] is detained on official business.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from New York [Mr. JAVITS], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

On this vote the Senator from Kentucky [Mr. COOPER] is paired with the Senator from Nebraska [Mr. CURTIS]. If present and voting, the Senator from Kentucky would vote "yea," and the Senator from Nebraska would vote "nay."

On this vote, the Senator from Colorado [Mr. DOMINICK] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from California [Mr. MURPHY]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from New Jersey [Mr. CASE] is paired with the Senator from South Dakota [Mr. MUNDT]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from South Dakota would vote "nay."

On this vote, the Senator from Hawaii [Mr. FONG] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from Hawaii would vote "yea," and the Senator from Kansas would vote "nay."

The result was announced—yeas 40, nays 23, as follows:

[No. 279 Leg.]

YEAS—40

Allott	Hill	Muskie
Bartlett	Holland	Nelson
Bass	Inouye	Pastore
Boggs	Jackson	Prouty
Burdick	Kennedy, Mass.	Proxmire
Byrd, W. Va.	Kuchel	Randolph
Carlson	Long, La.	Ribicoff
Clark	Magnuson	Smathers
Dirksen	Mansfield	Smith
Dodd	McGee	Sparkman
Douglas	McGovern	Tydings
Gruening	McIntyre	Yarborough
Hartke	McNamara	
Hickenlooper	Mondale	

NAYS—23

Bennett	Harris	Russell, Ga.
Bible	Hruska	Simpson
Cotton	Jordan, N.C.	Stennis
Eastland	Jordan, Idaho	Talmadge
Ellender	McClellan	Thurmond
Ervin	Morse	Williams, Del.
Fannin	Morton	Young, N. Dak.
Fulbright	Robertson	

NOT VOTING—37

Aiken	Hart	Murphy
Anderson	Hayden	Neuberger
Bayh	Javits	Pearson
Brewster	Kennedy, N.Y.	Pell
Byrd, Va.	Lausche	Russell, S.C.
Cannon	Long, Mo.	Saltonstall
Case	McCarthy	Scott
Church	Metcalf	Symington
Cooper	Miller	Tower
Curtis	Monroney	Williams, N.J.
Dominick	Montoya	Young, Ohio
Fong	Moss	
Gore	Mundt	

So the conference report was agreed to.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 10871, which was read as follows:

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 10 and 11 to the bill (H.R. 10871) entitled "An Act making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes", and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9, and concur therein with an amendment, as follows: In lieu of the matter proposed, insert the following:

"SEC. 116. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country that sells, furnishes or permits any ships under its registry to carry to North Vietnam any of the items mentioned in subsection 107(a) of this Act unless the President determines that the withholding of such assistance would be contrary to the national interest of the United States and reports such determination to the Congress."

Mr. PASTORE. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate No. 9.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of the motion that was just agreed to by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The explanation is as follows:

The language agreed to in conference on amendment No. 9 in lieu of the Senate language reads as follows:

"No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country that sells, furnishes or permits any ships under its registry to carry to North Vietnam any of the items mentioned in subsection 107(a) of this act unless the President determines that the withholding of such assistance would be contrary to the national interest of the United States and reports such determination to the Congress."

In addition the reference to North Vietnam in amendment No. 7 has been deleted, and the reference to North Vietnam in No. 8 has been retained.

The effect of the revised language is to allow the President discretion should he determine that the withholding of assistance would be contrary to the national interest of the United States.

Mr. FONG subsequently said: Mr. President, I wish the RECORD to show that I arrived about 2 minutes late for the rollcall on the foreign aid appropriation conference report. Had I been present, I would have voted for the report.

I had inquired as to whether there would be a vote, and was told there would be none, so I left the building. Upon being notified that there was a vote, I came directly to the floor, but I was 2 minutes late.

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

REPEAL OF SECTION 14(b) OF THE NATIONAL LABOR RELATIONS ACT, AS AMENDED

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana [Mr. MANSFIELD] to proceed to the consideration of H.R. 77, to repeal section 14(b) of the National Labor Relations Act, as amended.

Mr. MANSFIELD. Mr. President, on October 1, I sent the following telegram to all Democratic Senators:



Public Law 89-273
89th Congress, H. R. 10871
October 20, 1965

An Act

Making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

79 STAT. 1002

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1966, namely:

Foreign Assistance and Related Agencies Appropriation Act, 1966.

TITLE I—FOREIGN ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

MUTUAL DEFENSE AND DEVELOPMENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, as amended, to remain available until June 30, 1966, unless otherwise specified herein, as follows:

75 Stat. 424.
22 USC 2151
note.

ECONOMIC ASSISTANCE

Technical cooperation and development grants: For expenses authorized by section 212, \$202,355,000.

Ante, p. 654.

American schools and hospitals abroad: For expenses authorized by section 214(c), \$7,000,000.

International organizations and programs: For expenses authorized by section 302, \$144,755,000.

Ante, p. 656.

Supporting assistance: For expenses authorized by section 402, \$369,200,000.

Contingency fund, general: For expenses authorized by section 451(a), \$50,000,000.

Contingency fund, southeast Asia: For expenses authorized by section 451(a), \$89,000,000.

Alliance for Progress, technical cooperation and development grants: For expenses authorized by section 252, \$75,000,000.

Ante, p. 655.

Alliance for Progress, development loans: For expenses authorized by section 252, \$435,125,000, together with such dollar amounts as are authorized to be made available for assistance under section 253, all such amounts to remain available until expended.

76 Stat. 258.
22 USC 2212.

Development loans: For expenses authorized by section 202(a), \$618,225,000, together with such amounts as are authorized to be made available for expenses under section 203, all such amounts to remain available until expended: *Provided*, That no part of this appropriation may be used to carry out the provisions of section 205 of the Foreign Assistance Act of 1961, as amended.

75 Stat. 426.
22 USC 2162.

Administrative expenses: For expenses authorized by section 637(a), \$54,240,000.

Ante, p. 653.

Administrative and other expenses: For expenses authorized by section 637(b) of the Foreign Assistance Act of 1961, as amended, and by section 305 of the Mutual Defense Assistance Control Act of 1951, as amended, \$3,100,000.

Ante, p. 661.

Unobligated balances as of June 30, 1965, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, except as otherwise provided by law, are hereby continued available for the fiscal year 1966, for the same general purposes for which appropriated and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Mutual Security Act of 1954, as amended, and the Foreign

75 Stat. 460.
22 USC 2397.
75 Stat. 463.
22 USC 1613d.

68 Stat. 830.
31 USC 200.
68 Stat. 832.
22 USC 1750-
1941.

79 STAT. 1003

75 Stat. 424.

22 USC 2151 note.

Notification of
congressional
committees.

Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance" are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such purpose relates to a project or program previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs.

MILITARY ASSISTANCE

Ante, p. 656.

75 Stat. 460.

22 USC 2396.

Military assistance: For expenses authorized by section 504(a) of the Foreign Assistance Act of 1961, as amended, including administrative expenses authorized by section 636(g)(1) of such Act, which shall not exceed \$23,500,000 for the current fiscal year, and purchase of passenger motor vehicles for replacement only for use outside the United States: *Provided*, That none of the funds contained in this paragraph shall be available for the purchase of new automotive vehicles outside of the United States, \$1,170,000,000.

GENERAL PROVISIONS

Flood control and
reclamation pro-
grams, etc.

SEC. 101. None of the funds herein appropriated (other than funds appropriated under the authorization for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per memorandum of the President dated May 15, 1962.

Engineering and
architectural
fees.

Reports to con-
gressional com-
mittees.

Restrictions.

SEC. 102. Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

SEC. 103. Except for the appropriations entitled "Contingency Fund", "Alliance for Progress, development loans", and "Development loans", not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.

SEC. 104. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

Seating of Com-
munist China in
U. N., opposition.

SEC. 105. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created

59 Stat. 1031.

by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

SEC. 106. It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine.

Racial or religious discrimination.

SEC. 107. (a) No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry to Cuba, so long as it is governed by the Castro regime, in addition to those items contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended, any arms, ammunition, implements of war, atomic energy materials, or any other articles, materials, or supplies of primary strategic significance used in the production of arms, ammunition, and implements of war or of strategic significance to the conduct of war, including petroleum products.

Restriction on assistance to certain countries.
22 USC 2151 note.
65 Stat. 645.
22 USC 1611-1611d.

(b) No economic assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba, so long as it is governed by the Castro regime, or to North Vietnam, unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

Presidential determination of assistance. Report to congressional committees.

Publication in Federal Register.

SEC. 108. Any expenditure made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, as amended, that foreign procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base which outweigh the economic or other advantages to United States of less costly procurement outside the United States.

Procurement outside U. S. Report to congressional committees.

75 Stat. 439.
22 USC 2354.

SEC. 109. (a) No assistance shall be furnished to any nation, whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

Communist nations. Furnishing of strategic materials, prohibition.

(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended (except section 214(b)), unless the President determines that the withholding

Economic assistance. Presidential determination.
22 USC 2174.

79 STAT. 1005

Report to congressional committees.

Publication in Federal Register.

of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

22 USC 2151
note.

SEC. 110. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

Citizens employed outside U. S.
Loyalty investigations.

SEC. 111. None of the funds appropriated or made available by this or any predecessor Act for the years subsequent to fiscal year 1962 for carrying out the Foreign Assistance Act of 1961, as amended, may be used on or after 60 days from the date of enactment of this Act to make payments with respect to any contract for the performance of services outside the United States by United States citizens unless the President shall have promulgated regulations that provide for the investigation of such citizens for loyalty and security to the extent necessary to protect the security and other interests of the United States: *Provided*, That such regulations shall require that any such United States citizen who will have access, in connection with the performance of such services, to information or material classified for security reasons shall be subject to such investigation as may otherwise be provided by law and executive order.

Capital projects.
U. S. approval.

SEC. 112. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any capital project financed by loans or grants from the United States where the United States has not directly approved the terms of the contracts and the firms to provide engineering, procurement, and construction services on such projects.

75 Stat. 433;
77 Stat. 382.
22 USC 2201.

SEC. 113. Of the funds appropriated or made available pursuant to this Act not more than \$12,000,000 may be used during the fiscal year ending June 30, 1966, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended.

SEC. 114. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages or dues of any member of the United Nations.

Underdeveloped countries.
Construction work.

SEC. 115. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be obligated on or after April 30, 1964, for financing, in whole or in part, the direct costs of any contract for the construction of facilities and installations in any underdeveloped country, unless the President shall, on or before such date, have promulgated regulations designed to assure, to the maximum extent consistent with the national interest and the avoidance of excessive costs to the United States, that none of the funds made available by this Act and thereafter obligated shall be used to finance the direct costs under such contracts for construction work performed by persons other than qualified nationals of the recipient country or qualified citizens of the United States: *Provided, however*, That the President may waive the application of this amendment if it is important to the national interest.

Restriction on assistance to certain countries.

SEC. 116. No assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country that sells, furnishes or

permits any ships under its registry to carry to North Vietnam any of the items mentioned in subsection 107(a) of this Act unless the President determines that the withholding of such assistance would be contrary to the national interest of the United States and reports such determination to the Congress.

SEC. 117. None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to the United Arab Republic, unless the President determines that such availability is essential to the national interest of the United States.

SEC. 118. None of the funds appropriated or made available in this Act for carrying out the Foreign Assistance Act of 1961, as amended, shall be available for assistance to Indonesia, unless the President determines that such availability is essential to the national interest of the United States.

79 STAT. 1006
Report to Con-
gress.

Restriction on
assistance to
United Arab
Republic.
Presidential
determination.
Restriction on
assistance to
Indonesia.
Presidential
determination.

TITLE II—FOREIGN ASSISTANCE (OTHER)

FUNDS APPROPRIATED TO THE PRESIDENT

PEACE CORPS

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act (75 Stat. 612), as amended, including purchase of not to exceed five passenger motor vehicles for use outside the United States, \$102,000,000, together with not to exceed \$12,100,000 of funds previously appropriated which are hereby continued available for the fiscal year 1966, of which not to exceed \$24,100,000 shall be available for administrative expenses.

22 USC 2501
note.

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

RYUKYU ISLANDS, ARMY

ADMINISTRATION

For expenses, not otherwise provided for, necessary to meet the responsibilities and obligations of the United States in connection with the government of the Ryukyu Islands, as authorized by the Act of July 12, 1960 (74 Stat. 461), as amended (76 Stat. 742); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed \$4,000 for contingencies for the High Commissioner, to be expended in his discretion; hire of passenger motor vehicles and aircraft; purchase of one passenger motor vehicle, for replacement only; and construction, repair, and maintenance of buildings, utilities, facilities, and appurtenances; \$14,733,000, of which not to exceed \$2,733,000 shall be available for administrative and information expenses: *Provided*, That expenditures from this appropriation may be made outside continental United States when necessary to carry out its purposes, without regard to sections 355 and 3648, Revised Statutes, as amended, section 4774(d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary non-profit relief agencies registered with and recommended by the

60 Stat. 810.

40 USC 255;
31 USC 529.
70A Stat. 269.

79 STAT. 1007

Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency, without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred: *Provided further*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ASSISTANCE TO REFUGEES IN THE UNITED STATES

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to refugees within the United States, including hire of passenger motor vehicles, and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$30,000,000.

76 Stat. 121.
22 USC 2601 note.
60 Stat. 810.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide assistance to refugees, as authorized by law, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); allowances as authorized by the Overseas Differentials and Allowances Act (5 U.S.C. 3031-3039); hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); \$7,575,000, of which not to exceed \$7,050,000 shall remain available until December 31, 1966: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere: *Provided further*, That \$371,000 of the balances of prior year appropriations under this head shall remain available until December 31, 1965.

60 Stat. 999.
74 Stat. 792.

FUNDS APPROPRIATED TO THE PRESIDENT

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For subscription to the Inter-American Development Bank for the second installment on the increase in callable capital stock and for the second installment of the United States share in the increase in the resources of the Fund for Special Operations of the Bank, \$455,880,000, to remain available until expended.

SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment of the first installment of the supplementary contributions of the United States to the International Development Association, \$104,000,000, to remain available until expended.

TITLE III—EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank of Washington is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided.

61 Stat. 584.
31 USC 849.

LIMITATION ON OPERATING EXPENSES

Not to exceed \$1,186,120,000 (of which not to exceed \$900,000,000 shall be for long term project and equipment loans) shall be authorized during the current fiscal year for other than administrative expenses.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$4,052,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes hereof.

60 Stat. 810.

None of the funds made available because of the provisions of this title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination.

Extension of
credit to Com-
munist countries,
restriction.

76 Stat. 261;
78 Stat. 1013.
22 USC 2370.

Report to
Congress.

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

Publicity or
propaganda.

SEC. 402. None of the funds herein appropriated shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the Office of the Inspector General, Foreign Assistance,

Inspector
General, For-
eign Assist-
ance.
Expenses.

a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance, relating to any review, inspection, or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, (A) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested or (B) a certification by the President, personally, that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

Short title.

This Act may be cited as the "Foreign Assistance and Related Agencies Appropriation Act, 1966."

Approved October 20, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 955 (Comm. on Appropriations) and No. 1103 (Comm. of Conference).

SENATE REPORT No. 708 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 111 (1965):

Sept. 8: Considered and passed House.

Sept. 22: Considered in Senate.

Sept. 23: Considered and passed Senate, amended.

Oct. 1: House agreed to conference report.

Oct. 5: Senate agreed to conference report.